

STACKS

WHITE PAPER

"A store of value on the Binance Smart Chain which offers passive income rewards for holding."

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Table of Contents

1 INTRODUCTION TO STACKS	6
1.1 VISION	6
1.2 TOKENOMICS	6
1.3 SUSTAINABLE TAX STRUCTURE:	6
1.4 TRUE BURN AND WHY IT'S DIFFERENT:	7
1.5 ANTI-WHALE/ANTI-BOT FUNCTION:	7
1.6 REWARDS AND INCENTIVES:	7
1.7 TRANSPARENT DEVELOPMENT AND MARKETING:	8
1.8 SECURITY AND CONTRACT LOCKS:	8
1.9 A VISION OF VALUE:	8
2 PROJECT OVERVIEW	9
2.1 INTRODUCTION	9
2.2 THE STACKS MISSION:	9
2.3 TOKENOMICS:	9
2.3.1 THE BINANCE SMART CHAIN (BSC):	9
2.3.2 TOTAL SUPPLY:	10
2.3.3 THE STACKS TAX STRUCTURE:	10
2.3.4 SUSTAINABLE GROWTH:	10
2.3.5 VALUE PRESERVATION:	10
2.3.6 RESOURCE ALLOCATION:	10
2.3.7 COMMUNITY ENGAGEMENT:	11
2.3.8 TRANSPARENCY AND TRUST:	11
2.3.9 DIFFERENTIATION OF STACKS:	11
2.4 VALUE PROTECTION MEASURES:	11
2.4.1 ANTI-WHALE MECHANISM - MAXIMUM WALLET SIZE:	11
2.4.2 ANTI-BOT MECHANISM - MAXIMUM TRANSACTION SIZE:	12
2.5 REWARD STRUCTURE:	12
2.5.1 THE VALUE OF STACKING VS STAKING:	13
2.6 TRUE BURN MECHANISM:	13
2.7 TRANSPARENCY	14
2.7.1 DEVELOPER ALLOCATION:	14
2.7.2 STRATEGIC ALLOCATION:	14
2.7.3 MAINTAINING BALANCE:	14
2.7.4 TRUSTWORTHINESS MEETS TRUSTLESSNESS:	15
2.7.5 A NEW APPROACH:	15
2.8 PROBLEM STATEMENT:	15
2.8.1 LACK OF TRANSPARENCY AND TRUST:	15
2.8.2 INEFFICIENCIES IN REWARDS/REFLECTIONS TOKENS:	15
2.8.3 RESTRICTIONS OF STAKING REWARDS:	16
2.8.4 SHORTCOMINGS OF TRADITIONAL FINANCE:	16

2.8.5 CHALLENGES IN REMITTANCES:	16
2.9 THE STACKS SOLUTIONS:	16
2.9.1 TRUST AND HONESTY:	16
2.9.2 BRILLIANT REWARD MECHANISM:	16
2.9.3 STACKING INSTEAD OF STAKING:	16
2.9.4 A MODERN ALTERNATIVE TO TRADITIONAL FINANCE:	16
2.9.5 A VISION FOR REMITTANCES:	17
3 TECHNOLOGY AND ARCHITECTURE:	17
<hr/>	
3.1 INTRODUCTION:	17
3.2 BNC NETWORK FOUNDATION:	17
3.3 "STACKED" SMART CONTRACTS ARCHITECTURE:	18
3.4 BALANCE MANAGEMENT - STACKS LEVEL 1:	18
3.4.1 INDIVIDUAL BALANCE TRACKING:	18
3.4.2 TOKEN HOLDER MAPPING:	19
3.4.3 EXEMPTION OF LIQUIDITY WALLET:	19
3.4.4 MINIMUM TOKEN BALANCE FOR DIVIDENDS:	20
3.4.5 SUMMATION:	20
3.5 3% BUY AND SELL TAX IMPLEMENTATION - LEVEL 2:	21
3.5.1 LIQUIDITY PROVISION:	21
3.5.2 REWARDS DISTRIBUTION:	21
3.5.3 BURN MECHANISM:	22
3.5.4 DEVELOPER ALLOCATION:	23
3.5.5 INTERACTION WITH OTHER SYSTEM COMPONENTS:	25
3.6 AUTOMATIC CLAIMS MANAGEMENT - LEVEL 3:	26
3.6.1 CLAIM ELIGIBILITY DETERMINATION:	26
3.6.2 AUTOMATIC CLAIMS PROCESSING:	26
3.6.3 TRIGGERING AUTOMATIC CLAIMS:	28
3.6.4 SECURITY CONSIDERATIONS:	29
3.6.5 SUMMATION:	29
3.7 DIVIDEND CALCULATION AND DISTRIBUTION - LEVEL 4:	29
3.7.1 DIVIDEND ELIGIBILITY AND DIVIDEND TRACKER TOKEN:	29
3.7.2 ACQUISITION OF BNB REWARDS:	30
3.7.3 DIVIDEND CALCULATION:	30
3.7.4 AUTOMATIC DIVIDEND DISTRIBUTION:	30
3.7.5 INTEGRATION WITH DEXS:	31
3.7.6 SUMMATION:	31
3.8 TRUE BURN MECHANISM - LEVEL 5:	32
3.8.1 PURPOSE – MECHANISM – BENEFITS:	32
3.8.2 INTERACTION WITH OTHER SYSTEM COMPONENTS:	33
3.8.3 SECURITY CONSIDERATIONS:	34
3.9 WALLET AND TRANSACTION LIMITS - LEVEL 6:	34
3.9.1 WALLET LIMITS PURPOSE:	34
3.9.2 TRANSACTION LIMITS PURPOSE:	35

3.9.3 SUMMATION:	35
3.10 SECURITY MEASURES:	35
3.10.1 OVERVIEW:	35
3.10.2 SUMMATION:	36
3.11 CONCLUSION:	36
4 REGULATORY ALIGNMENT AND CONSIDERATIONS:	37
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4.1 ALIGNMENT WITH EXISTING LEGAL FRAMEWORKS:	37
4.2 POTENTIAL REGULATORY POLYMORPHISM IN THE CRYPTO SPACE:	38
4.3 CONCLUSION:	39

Disclaimer: This document is a living document and is subject to reviews and updates as required.

1 Introduction to STACKS

1.1 Vision

In a rapidly evolving digital landscape, where financial paradigms are being reshaped by technological innovation, emerges STACKS – a pioneering cryptocurrency built on the Binance Smart Chain (BSC). Designed with a clear vision, STACKS aspires to not only serve as a store of value akin to the revolutionary concept of Bitcoin, but also to empower its holders with passive income opportunities delivered multiple times per day. STACKS aims to revolutionize the crypto space with its unique features and transparent approach to development.

1.2 Tokenomics

Contract address: 0x14220f5893e945EeD36389905b991d6b972e04f0

Total Starting Supply: 1 Trillion Tokens

3% buy/sell tax:

- 1.5% distributed as BNB REWARDS among all holders
- 0.5% subjected to TRUE BURN
- 0.5% allocated to LIQUIDITY INJECTION
- 0.5% TRANSPARENTLY goes to developers

Max wallet size: 15 Billion Tokens

Max transaction size: 10 Billion tokens

1.3 Sustainable Tax Structure

With a total starting supply of 1 trillion tokens, STACKS operates with a 3% buy and sell tax, which ensures sustainable growth and value preservation over time. Of this tax, 1.5% (half of the total tax) is distributed as BNB (Binance Coin) rewards to all holders, fostering an active and engaged community. Another 0.5% (1/6th of the total tax) is subjected to TRUE BURN, permanently reducing the token supply and enhancing scarcity. These tokens are not merely sent to a dead wallet to remain on-chain and in supply. These tokens are eradicated off-chain entirely, and removed from not only the supply, but from all existence forever. The TRUE BURN function also facilitates automatic updates of the token supply and holder percentages on-chain without the need for “self-reporting”.

Additionally, 0.5% (1/6th of the total tax) is allocated to automatic real-time liquidity injection, ensuring smooth and stable trading experiences for all participants. With no hidden developer wallets, the remaining 0.5% (1/6th of the total tax) transparently goes to the developer wallet.

1.4 TRUE BURN and Why It's Different

TRUE BURN on the STACKS platform goes beyond the confines of on-chain token movements. While many projects claim to burn tokens, they often involve sending tokens to a "dead wallet" where they technically remain in supply and ultimately (however remote the possibility may be) accessible. In contrast, TRUE BURN entails the complete and irreversible removal of tokens. With TRUE BURN tokens are not merely locked away; they are eradicated from existence, ensuring they can never be reintroduced into the ecosystem.

Every TRUE BURN event initiated by the contract is verifiable on the blockchain, allowing the community to witness the reduction of circulating supply in real time at the speed of the internet. This not only enhances transparency but also contributes to increasing token scarcity, a fundamental driver of value appreciation. As the supply diminishes, each remaining token becomes inherently more valuable. For holders of STACKS, with TRUE BURN, their percentage of total supply will increase as this takes effect.

1.5 Anti-Whale/Anti-Bot Function

To maintain a fair and balanced ecosystem, STACKS has an anti-whale function implemented natively in the contract. No wallet can exceed 15 billion tokens (1.5% of the total starting supply), promoting equitable distribution and preventing disproportionate influence by large holders. The only exceptions to this are the liquidity wallet, locked in a cryptographically guaranteed 101-year contract, and the marketing wallet, comprising approximately 5% of the total supply. Additional security features include a maximum transaction size, it is impossible within the confines of the contract for any single transaction to be of over 10 billion tokens (1% of the total starting supply), this protects the market cap by disincentivizing rampant automated BOT trading.

Note: Two purchases are necessary to attain a maximum-sized wallet due to the maximum transaction size limit.

1.6 Rewards and Incentives

STACKS incentivizes long-term holding by converting and distributing 1.5% of all trading volume (all buys and sells) as BNB rewards to its community of token holders. This not only encourages a sense of ownership and loyalty, but it also creates a passive income stream for holders. Furthermore, the TRUE BURN mechanism reduces the token supply, leading to potential price appreciation over time and further incentive for holders to continue holding STACKS.

The deliberate choice to reward holders in a currency outside of the token itself (STACKS) is grounded in the commitment of creating a value system that extends beyond STACKS alone. BNB, as a widely recognized and established cryptocurrency, provides a tangible and versatile reward that aligns with the broader crypto landscape.

By rewarding in BNB, STACKS enables holders to partake in a wider spectrum of opportunities.

Another key consideration behind rewarding in a value system outside of the token itself is the mitigation of buy and sell pressure imbalances. When rewards are offered in the same token, it can inadvertently lead to a cycle of increased selling as holders redeem their rewards, potentially driving downward pressure on the token's price. STACKS averts this and can create a secondary voluntary buying pressure to its holders upon reward dispersal, as holders can actively choose to compound BNB rewards back into the STACKS platform with transactions. We call this STACKING vs staking.

1.7 Transparent Development and Marketing

Trust. In an industry notorious for mistrust, STACKS aims to set a precedent for transparency and accountability. The 0.5% development allocation is judiciously used for supplemental marketing purposes and to fuel project development. This approach is meant to instill confidence in the community and foster an environment of openness and collaboration. It also serves to align the interests of the project with that of the community on a contract level, ensuring that development and marketing compensation is only attainable inasmuch as the community is also remunerated with BNB rewards through the shared success of the project.

1.8 Security and Contract Locks

Robust security measures are integrated into the contract to safeguard the ecosystem and the community's holdings. The liquidity wallet is securely locked in a cryptographically guaranteed contract for 101 years via UniCrypt, the creators of, and world-renowned leader of liquidity locking services, ensuring its long-term stability and protection against potential risks. The STACKS contract utilizes only pre-audited, efficient, and battle-tested open-source functions, with no additional bloat. Furthermore, there are no functions available with which to do harm, like blacklisting of wallets or pausing of trading for example.

1.9 A Vision of Value

STACKS is more than just a cryptocurrency; it represents a commitment to transparency, community empowerment, and a vision of financial inclusivity. By harnessing the power of blockchain technology and rewarding its community, STACKS strives to create a sustainable ecosystem that benefits all participants. STACKS envisions becoming the preferred choice for passive income and secure asset preservation. Aspiring to provide a reliable and secure store of value, with plans for simplified remittances and cross-border payments.

2 Project Overview

2.1 Introduction

This overview delves into the core aspects of STACKS, from its unique tokenomics to its long-term vision, and the robust measures ensuring its sustainability. Each element of STACKS is crafted with precision and aims to reflect the project's dedication to providing a transparent and honest opportunity.

2.2 The STACKS Mission

STACKS is a testament to resilience, transparency, and innovation in the rapidly evolving world of decentralized finance. Founded upon the principles of honor and integrity, STACKS is not just a cryptocurrency but a commitment to creating a trustworthy financial ecosystem that stands in stark contrast to previous experiences of the crypto community.

STACKS emerged from a desire to create a project founded in authentic good faith after the cryptocurrency community at large has faced the greed and intentional sabotage of founding bad actors in various projects. These negative experiences instilled a desire to create something with a commitment to integrity and a determination to build something truly trustworthy for all, harkening back to the principles that the revolutionary technology of Bitcoin was created upon.

Recognizing that a blockchain is trustless, but that the areas where humans have to interact with the technology are not always inherently so (especially in the early stages of a project's life), STACKS stands firm and ready in its commitment of being there for the community. Honor, transparency, integrity: these are not merely priorities; they are the core of STACKS. In the areas of overlap, where the blockchain can only reach so far in ensuring trust and trustlessness, STACKS rises to the occasion, promising to be a project that is not just technologically sound but also ethically steadfast.

2.3 Tokenomics

2.3.1 The Binance Smart Chain (BSC):

was strategically chosen for STACKS because of its low fees, making a rewards token like STACKS sustainable, as opposed to a network with higher fees such as Ethereum. The integration with BSC leverages its key features to enhance the STACKS ecosystem, reflecting the project's innovative approach to tokenomics and reward functions. It achieves this through a carefully designed structure of sustainability and security.

The economic design of STACKS is meticulously crafted to create a balanced ecosystem that benefits holders, fosters growth, and sustains the project's core values.

2.3.2 Total Supply:

STACKS has a total starting supply of 1 trillion tokens, a number that reflects a strategic balance between scarcity and accessibility as deflationary mechanisms act over time.

2.3.3 The STACKS tax structure:

STACKS utilizes a 3% tax that is applied to both buy and sell transactions, creating a self-sustaining financial model. This tax is broken down as follows:

- 1.5% BNB Rewards: This portion is redistributed to the STACKS holders as BNB rewards (Binance Coin), incentivizing holding and fostering a loyal community by creating a passive income stream for holders.
- 0.5% TRUE BURN: STACKS is a deflationary token. To enhance scarcity and value appreciation, 0.5% of all transactions are subjected to TRUE BURN. This method is distinct from the industry standard of what burning tokens means and will be delineated further within this document.
- 0.5% Liquidity Injection: This ensures continuous liquidity in the STACKS market, contributing to stability.
- 0.5% Developer Allocation: Transparently directed towards developers, this portion supports ongoing development and marketing efforts.

This taxation rate is seen as optimal for several reasons:

2.3.4 Sustainable Growth:

A moderate 3% tax ensures that the impact on transactions is not overly burdensome, encouraging participation and trading. It maintains liquidity while providing a consistent source of revenue for various project functionalities.

2.3.5 Value Preservation:

The tax creates a disincentive for short-term trading and speculative behavior, while also being low enough to not punish such to an unreasonable degree. This supports the project's aim to be a stable store of value and discourages trading behavior akin to “pump-and-dumps”, as any such behavior would serve to reward holders in the long term.

2.3.6 Resource Allocation:

The 3% tax is strategically divided into different segments as outlined above. This multi-pronged approach allows for simultaneous support of community rewards, value appreciation, liquidity maintenance, and ongoing development and marketing efforts, ensuring a holistic approach to project's growth and stability.

2.3.7 Community Engagement:

The structure of the tax, particularly the BNB rewards, fosters a loyal community of holders by offering tangible benefits for long-term participation. This enhances the community-centric vision of STACKS.

2.3.8 Transparency and Trust:

By clearly defining the transaction tax structure and its allocation, STACKS demonstrates its commitment to transparency and trust. This aligns with the core principles of honor and integrity that form the foundation of the project.

2.3.9 Differentiation of STACKS:

Many projects that operate with a rewards or reflections mechanism often have a tax rate that is too high for long-term sustainability. While a higher tax rate does encourage long-term holding, it also disincentivizes liquidity and trading. STACKS aims to address this by rewarding both holding and trading. Holding is rewarded in BNB as outlined above, and trading, by not having an overly high tax rate. All are welcome to buy and sell with STACKS and both are embraced within the tokenomics.

The 3% buy and sell tax is not an arbitrary figure but a well-thought-out mechanism that aligns with the long-term vision, values, and objectives of STACKS. It serves as a pivotal tool in the project's unique approach to creating a transparent, rewarding, and sustainable ecosystem.

2.4 Value Protection Measures

To ensure smooth and equitable distribution of supply, STACKS has designed a series of features to sustain project viability in the hands of the many vs. the few. These are outlined below.

2.4.1 Anti-Whale Mechanism - Maximum Wallet Size:

The maximum share of supply that any single wallet can comprise is 15 billion tokens (1.5% of total starting supply). In the environment of today, many projects are impacted by holders with disproportionately high percentages of the total token supply, often referred to as "Whales". This mechanism prevents large holders from manipulating the market and is a function inherent to the contract. The two exceptions are the liquidity wallet (locked for 101 years) and the developer marketing wallet, constituting around 5% of the total supply.

2.4.2 Anti-Bot Mechanism - Maximum Transaction Size:

To further prevent price manipulation, the maximum transaction size is set at 10 billion tokens. This is also an inherent immutable function within the contract and also serves as an effective deterrent from bot trading.

It should be of note that this transaction limit entails that a minimum of two transactions will be required to obtain a maximum wallet.

2.5 Reward Structure

STACKS places significant emphasis on rewarding its community. The BNB rewards foster a loyal base of holders, providing them with regular returns and making STACKS a preferred choice for holders seeking passive income. The deliberate decision to reward its holders in a value system outside of the token itself represents a calculated move in the world of decentralized finance. By linking rewards to Binance Coin (BNB), a well-established and widely recognized cryptocurrency, STACKS adds an extra layer of stability and attractiveness to its value proposition. This approach serves to mitigate some of the inherent volatility that may be associated with new tokens, offering holders a reward that has proven market value and utility.

Additionally, this reward system prevents the inherent sell pressure that often occurs with tokens rewarding in their own currency. Holders receiving rewards in BNB are likely to compound these rewards back into STACKS, thereby encouraging further adoption in the ecosystem and driving up demand for the token.

Though BNB is a value system separate from STACKS, the reward mechanism is deeply integrated into the STACKS ecosystem. This integration is not a mere linkage to an external asset but a thoughtful connection that enriches the STACKS community experience. By offering rewards in BNB, STACKS builds a bridge between its innovative platform and the broader crypto landscape, enhancing the attractiveness of holding STACKS and reinforcing the notion that the STACKS ecosystem is not an isolated entity but a forward-thinking participant in the wider world of DeFi (Decentralized Finance) blockchain technology.

The use of BNB as a reward is, in essence, a statement of vision, connecting STACKS' unique identity with the established and respected value represented by Binance Coin. It's a multi-faceted strategy that adds value to the holders, builds confidence in the project, and ingeniously leverages secondary market forces to bolster the STACKS ecosystem.

2.5.1 The value of STACKING vs staking:

With rewards in BNB, Holders have the opportunity to use their BNB as they wish. One opportunity they may have is to compound their rewards back into STACKS. Why do this? Compounding rewards while the token price is low, allows for more rapid accumulation of the supply. It adds additional buy pressure within the market, and subjects more tokens to the TRUE BURN mechanism, reducing circulating supply. We call this STACKING your rewards.

2.6 TRUE BURN Mechanism

A genuine burn mechanism is implemented to gradually reduce the token supply.

In the crypto industry, the term "burn" is often associated with a range of mechanisms that remove tokens from circulation to some degree. The common approach to token burning involves sending tokens to a theoretically inaccessible wallet or a "dead address." While this method does effectively take tokens out of circulation, the tokens are technically still in existence, and in supply until often "self-reported" as otherwise by a project. This is what most projects refer to when they talk about a "burn."

However, a TRUE BURN mechanism, such as the one utilized by STACKS, goes a step further. A TRUE BURN permanently destroys tokens, removing them from existence entirely. This is not merely a symbolic action but a profound alteration of the token's total supply in real-time. By permanently reducing the number of tokens, a TRUE BURN can create scarcity, potentially leading to an increase in the value of the remaining tokens.

The brilliance of a TRUE BURN lies in its unequivocal nature. Unlike the conventional burn methods that symbolically "lock away" tokens, a TRUE BURN ensures that the tokens are gone forever. This permanence reinforces the token's scarcity in a way that's transparent and easily verifiable on the blockchain. Holders can see that the tokens have been destroyed in real time, not just moved.

Furthermore, a TRUE BURN can contribute to a more stable and predictable economic model for a token. By permanently reducing the supply, it helps in better understanding and anticipating market dynamics. It sends a strong message about the project's commitment to maintaining value and can build trust in the community.

While traditional burn methods may serve a similar purpose (in theory) a TRUE BURN offers a level of commitment, transparency, and effectiveness that is unparalleled. It's a sophisticated approach that reflects a deeper understanding of tokenomics and a commitment to genuine value creation. By embracing TRUE BURN, STACKS distinguishes itself from many other projects.

2.7 Transparency

2.7.1 Developer Allocation:

Unlike many projects, STACKS ensures transparent developer compensation without hidden wallets, reinforcing the project's commitment to honesty and integrity.

The tokenomics of STACKS offer a blend of innovative features that not only reward holders but also ensure the growth and stability of the project by aligning the project's financial incentive with the community's. Designed with a long-term vision, the economic structure of STACKS is a foundational pillar that epitomizes the project's commitment to transparency, honesty, and community engagement.

The STACKS project has consciously allowed the marketing wallet to comprise more than 15 billion tokens at roughly 5% of the total supply. This decision is rooted in both strategic necessity (especially early in the project's life) and a unique approach to trust that distinguishes STACKS from other projects.

While the right is reserved to sell some small portions of these tokens, the longstanding priority is to never do so, under any circumstances. Instead, the intent of the marketing wallet is to utilize the rewards generated by it to fuel ongoing marketing. This not only is in line with the best interests of the community at large, but also makes more sense in terms of long-term funding and goals, this is by design. The marketing tokenomics are consistently aligned with the idea of never doing anything that may potentially add sell pressure to the token and by extension commit harm to the good faith of the community.

2.7.2 Strategic Allocation:

The allocation of approximately 5% to the marketing wallet is not a random figure but a deliberate strategy to ensure robust marketing, partnerships, and community engagement. A well-funded marketing wallet allows for aggressive and consistent promotion, enabling STACKS to reach a broader audience, forge valuable partnerships, and build a strong and engaged community.

2.7.3 Maintaining Balance:

The intent to keep the marketing wallet around 5% reflects a commitment to balance and proportion. By not allowing the marketing wallet to grow unchecked, STACKS ensures that resources are allocated in a way that supports the project without skewing the token distribution. This fosters fairness and a sense of shared ownership within the community.

2.7.4 Trustworthiness meets Trustlessness:

The very essence of blockchain technology centers around the concept of being trustless. However, in areas where the blockchain itself may not enforce this trustlessness as humans must interact with one another, STACKS differentiates itself by stepping in to be trustworthy. By openly declaring the intention behind the marketing wallet and the commitment to maintaining its proportion, STACKS makes a public pledge, this isn't just a technical safeguard; it's a promise, a demonstration of the honor, transparency, and integrity that are at the core of STACKS.

2.7.5 A New Approach:

By explicitly taking responsibility for maintaining the balance of the marketing wallet and ensuring its use in line with the project's goals, STACKS is pioneering a new way of managing a crypto project. It combines the best aspects of decentralized technology with the assurance of human oversight, guided by strong ethical principles. The marketing wallet's size and the intention to maintain it at around 5% is a reflection of STACKS' innovative approach, strategic thinking, and unwavering commitment to its values.

2.8 Problem Statement

"Complaining about a problem without posing a solution is called whining."
- Theodore Roosevelt

In the modern financial landscape, especially within the DeFi sector, there are persistent issues that erode trust and efficiency.

2.8.1 Lack of Transparency and Trust:

Many crypto platforms and tokens operate without clear oversight or transparency within the sector, leading to skepticism and a lack of confidence among holders. Simply put, the crypto space is saturated with dishonor, bad actors, and scams.

2.8.2 Inefficiencies in Rewards/Reflections Tokens:

Traditional rewards or reflections tokens have often been marred by complexities and inefficiencies in their distribution mechanism, often rewarding in the token itself, a mechanism that has proven to be flawed as it may not always provide real tangible benefits while it creates unneeded sell pressure as holders redeem rewards.

2.8.3 Restrictions of Staking Rewards:

Traditional staking models often limit liquidity, delay rewards, impose complexity, and risk penalties, focusing more on network needs over individual holders.

2.8.4 Shortcomings of Traditional Finance:

Be it dividends on a Stock, or interest rates on a Savings account, conventional finance offers limited, often delayed rewards, tied to complex conditions, and lacks transparency.

2.8.5 Challenges in Remittances:

The traditional remittance systems are often slow and expensive, particularly for families in remote or underbanked regions.

2.9 The STACKS Solutions

STACKS aims to resolve these problems through:

2.9.1 Trust and Honesty:

STACKS commits to a simple, transparent and open approach, ensuring that all operations, from deposits to rewards, are conducted with integrity and clarity.

STACKS is committed to being ethically steadfast.

2.9.2 Brilliant Reward Mechanism:

Unlike traditional rewards/reflections tokens, STACKS provides rewards in BNB (Binance Coin), a well-recognized and stable asset. This method eliminates the typical volatility associated with rewards in the native token and aligns more closely with holders' interests in a way that is succinct with long-term sustainability.

2.9.3 Stacking Instead of Staking:

STACKS provides real-time rewards in BNB, often multiple times per day, allowing for immediate use and liquidity, emphasizing a more holder-centric approach, and avoiding the common restrictions and risks associated with traditional staking.

2.9.4 A Modern Alternative to Traditional Finance:

STACKS' rewards system offers a transparent, more immediate, and more liberal rewards mechanism compared to traditional finance, fostering a more appealing, efficient and ultimately more rewarding experience.

2.9.5 A Vision for Remittances:

While the advent of cryptocurrency as a whole marked a watershed moment in solving this problem, the rewards mechanisms of STACKS make it uniquely suited to help families in this way. STACKS harbors the ambition to become a go-to platform for remittances in the future, aiming to provide a more efficient and affordable channel for families, especially in distant or underprivileged regions.

2.9.6 Conclusion:

By addressing these challenges, STACKS aims to be a step forward in the evolution of DeFi platforms. The commitment to trust, honesty, transparency, and innovation sets it apart, and its unique approach to rewards, along with a forward-looking vision for remittances, brings a fresh perspective to the market.

Further sections of this document will delve deeper into the intricate workings of STACKS, explaining how its features and its ethos work hand-in-hand to create a revolutionary platform.

3 Technology and Architecture

3.1 Introduction

STACKS, a decentralized financial system on the BSC (Binance Smart Chain) network showcases a blend of "stacked" smart contract functionalities within its token. By nesting smart contracts within one another, STACKS creates a multi-layered architecture that forms a cohesive, comprehensive, and robust set of solutions. It operates with the strength of open-source principles, and leverages technologies to create an accessible and efficient ecosystem. The core contract logic itself, excluding imports, is simple and elegant, composed of less than 1000 lines of Solidity.

This section provides an understanding of STACKS' technical operation. While the goal of this section is to be comprehensive, it should not be thought of as an exhaustive exploration of the architecture in full detail and granularity. The source code, in its entirety, can be viewed and vetted on bscscan.com. In the spirit of honesty and full transparency consistent with the ethos of open-source software and blockchain, all eyes are welcome.

3.2 BNC Network Foundation

Leveraging the BSC network, STACKS combines the power of Binance Smart Chain's high-speed and low-cost transactions. By integrating with an Ethereum Virtual Machine-compatible network, it offers seamless performance and connectivity allowing for the solidity programming language's ERC-20 and BEP-20 standards to be upheld within the BSC network. For further inquiry specific to the technology and architecture of the BSC network please refer to its independent sets of documentation and white paper.

3.3 "Stacked" Smart Contracts Architecture

The architecture of STACKS is composed of multiple layers of smart contract functionalities, or "stacked" contracts, each serving a specific purpose and working in harmony. This multi-layered approach ensures that each contract's functionality is modular, transparent, and interdependent.

As a brief review of the tokenomics pertinent to this section, the STACKS token incorporates a multifaceted buy-and-sell tax structure, aimed at incentivizing various behaviors and ensuring sustainable growth:

- Rewards Fees: Distributed as dividends to token holders.
- Auto-Burn Fees: Tokens are automatically burned to reduce the supply and increase scarcity.
- Liquidity Fees: Directed towards providing liquidity, enhancing stability.
- Development Fees: Allocated to support ongoing development and maintenance.

All of which will be explored within this section. Additionally, the TRUE BURN functionality should hold a particular note, along with the wallet and transaction limits within the contract.

3.4 Balance Management - STACKS Level 1

The Dividend Tracker Contract's balance management system is a crucial aspect of the STACKS architecture, designed to achieve precision, transparency, and integrity in the handling of token balances. Here's how it accomplishes this:

3.4.1 Individual Balance Tracking:

Purpose: To maintain a real-time record of individual token balances for all holders.

Mechanism: Utilizes a mapping structure that associates each holder's address with their current token balance. This mapping is continually updated to reflect any changes in holdings.

Benefits: Ensures accurate and immediate reward calculations, fostering trust among holders.

```
library IterableMapping {
  // Iterable mapping from address to uint;
  struct Map {
    address[] keys;
    mapping(address => uint) values;
    mapping(address => uint) indexOf;
    mapping(address => bool) inserted;
  }
}
```

3.4.2 Token Holder Mapping:

Purpose: To efficiently manage the overall structure of token holders.

Mechanism: Employs a dynamic data structure that maintains the hierarchy of token holders. It includes functions to add, remove, and modify entries, allowing for flexible and responsive management.

Benefits: Facilitates rapid and precise operations, minimizing computational overhead.

```
function set(Map storage map, address key, uint val) public {
    if (map.inserted[key]) {
        map.values[key] = val;
    } else {
        map.inserted[key] = true;
        map.values[key] = val;
        map.indexOf[key] = map.keys.length;
        map.keys.push(key);
    }
}

contract DividendTracker is Ownable, DividendPayingToken {
    using IterableMapping for IterableMapping.Map;

    IterableMapping.Map private tokenHoldersMap;
    uint256 public lastProcessedIndex; . . .
```

3.4.3 Exemption of Liquidity Wallet:

Purpose: To exclude the liquidity wallet from rewards, ensuring dividends are concentrated among genuine holders.

Mechanism: Implements specific rules within the contract to identify the liquidity wallet and exclude it from rewards. This exclusion is enforced throughout the contract's operations.

Benefits: Preserves the integrity of rewards distribution, ensuring that only authentic holders benefit from the dividends.

(cont. next page)

```

function excludeFromDividends(address account, uint256 balance, bool
isExcluded) external onlyOwner {
    if (isExcluded) {
        require(!isExcludedFromDividends[account], "DividendTracker: This
address is already excluded from dividends");
        isExcludedFromDividends[account] = true;

        _setBalance(account, 0);
        tokenHoldersMap.remove(account);
    } else {
        require(isExcludedFromDividends[account], "DividendTracker: This
address is already included in dividends");
        isExcludedFromDividends[account] = false;

        setBalance(account, balance);
    }

    emit ExcludeFromDividends(account, isExcluded);
}

```

3.4.4 Minimum Token Balance for Dividends:

Purpose: To establish a threshold for participation in the dividends.

Mechanism: Sets a minimum token balance that an address must hold to qualify for dividends (100,000 tokens). Addresses falling below this threshold are automatically excluded from the distribution.

Benefits: Encourages participation and engagement among holders.

3.4.5 Summation:

Balance management within the Dividend Tracker Contract of STACKS is a meticulously crafted system that harmonizes precision, agility, and security. By employing a combination of mapping structures, exclusion rules, threshold definitions, and seamless integrations, it lays down a robust foundation for the entire STACKS architecture.

The strategic implementation of this subsystem underscores the project's dedication to creating a transparent and equitable environment for all its participants, highlighting a key strength of the STACKS token.

3.5 3% Buy and Sell Tax Implementation - Level 2

Within the STACKS architecture, the 3% buy and sell tax plays an essential role in the token's economic design. It's a mechanism that encourages holding and simultaneously supports various functionalities such as liquidity provision, rewards distribution, and the TRUE BURN Mechanism. This section describes the implementation of the 3% tax on buy and sell transactions.

Purpose:

The primary purposes of the 3% buy and sell tax include:

3.5.1 Liquidity Provision:

A portion of the tax contributes to the liquidity pool, ensuring seamless trading and stability.

```
function liquidityFeesSetup(uint16 _buyFee, uint16 _sellFee, uint16
_transferFee) public onlyOwner {
    liquidityFees = [_buyFee, _sellFee, _transferFee];

    totalFees[0] = 0 + devFees[0] + autoBurnFees[0] + liquidityFees[0]
+ rewardsFees[0];
    totalFees[1] = 0 + devFees[1] + autoBurnFees[1] + liquidityFees[1]
+ rewardsFees[1];
    totalFees[2] = 0 + devFees[2] + autoBurnFees[2] + liquidityFees[2]
+ rewardsFees[2];
    require(totalFees[0] <= 2500 && totalFees[1] <= 2500 &&
totalFees[2] <= 2500, "TaxesDefaultRouter: Cannot exceed max total fee of
25%");

    emit liquidityFeesUpdated(_buyFee, _sellFee, _transferFee);
}
```

3.5.2 Rewards Distribution:

Part of the tax is redistributed as rewards to the token holders, incentivizing holding.

(cont. next page)

```

function rewardsFeesSetup(uint16 _buyFee, uint16 _sellFee, uint16
_transferFee) public onlyOwner {
    rewardsFees = [_buyFee, _sellFee, _transferFee];

    totalFees[0] = 0 + devFees[0] + autoBurnFees[0] + liquidityFees[0]
+ rewardsFees[0];
    totalFees[1] = 0 + devFees[1] + autoBurnFees[1] + liquidityFees[1]
+ rewardsFees[1];
    totalFees[2] = 0 + devFees[2] + autoBurnFees[2] + liquidityFees[2]
+ rewardsFees[2];

    require(totalFees[0] <= 2500 && totalFees[1] <= 2500 &&
totalFees[2] <= 2500, "TaxesDefaultRouter: Cannot exceed max total fee of
25%");

    emit rewardsFeesUpdated(_buyFee, _sellFee, _transferFee);
}

```

3.5.3 Burn Mechanism:

A fraction of the tax is directed towards the TRUE BURN Mechanism, reducing the total supply.

```

function autoBurnFeesSetup(uint16 _buyFee, uint16 _sellFee, uint16
_transferFee) public onlyOwner {
    autoBurnFees = [_buyFee, _sellFee, _transferFee];

    totalFees[0] = 0 + devFees[0] + autoBurnFees[0] + liquidityFees[0]
+ rewardsFees[0];
    totalFees[1] = 0 + devFees[1] + autoBurnFees[1] + liquidityFees[1]
+ rewardsFees[1];
    totalFees[2] = 0 + devFees[2] + autoBurnFees[2] + liquidityFees[2]
+ rewardsFees[2];

    require(totalFees[0] <= 2500 && totalFees[1] <= 2500 &&
totalFees[2] <= 2500, "TaxesDefaultRouter: Cannot exceed max total fee of
25%");

    emit autoBurnFeesUpdated(_buyFee, _sellFee, _transferFee);
}

```

3.5.4 Developer Allocation:

A dedicated segment is directed towards development, sustaining innovation and continued growth.

```
function devFeesSetup(uint16 _buyFee, uint16 _sellFee, uint16
_transferFee) public onlyOwner {
    devFees = [_buyFee, _sellFee, _transferFee];

    totalFees[0] = 0 + devFees[0] + autoBurnFees[0] + liquidityFees[0]
+ rewardsFees[0];
    totalFees[1] = 0 + devFees[1] + autoBurnFees[1] + liquidityFees[1]
+ rewardsFees[1];
    totalFees[2] = 0 + devFees[2] + autoBurnFees[2] + liquidityFees[2]
+ rewardsFees[2];
    require(totalFees[0] <= 2500 && totalFees[1] <= 2500 &&
totalFees[2] <= 2500, "TaxesDefaultRouter: Cannot exceed max total fee of
25%");

    emit devFeesUpdated(_buyFee, _sellFee, _transferFee);
}
```

Mechanism:

Taxation Point: The 3% tax is applied automatically at the point of each buy or sell transaction.

Distribution Breakdown: The 3% tax is divided into predetermined portions that serve various functions.

Integration with DEXs: The tax is seamlessly integrated with reputable decentralized exchanges (DEXs) such as PancakeSwap to ensure that it is universally applied to all buy and sell transactions. This is done with traditional Automated Market Maker pairs (AMM pairs) in line with ERC/BEP-20 standard practices, viewable within the source code of the contract.

(cont. next page)

```

function setAMMPair(address pair, bool isPair) public onlyOwner {
    require(pair != pairV2, "DefaultRouter: Cannot remove initial pair
from list");

    _setAMMPair(pair, isPair);
}

function _setAMMPair(address pair, bool isPair) private {
    AMMPairs[pair] = isPair;

    if (isPair) {
        excludeFromDividends(pair, true);

        excludeFromLimits(pair, true);
    }

    emit AMMPairsUpdated(pair, isPair);
}

function _beforeTokenTransfer(address from, address to, uint256 amount)
    internal
    override
{
    if (AMMPairs[from] && !isExcludedFromLimits[to]) { // BUY
        require(amount <= maxBuyAmount, "MaxTx: Cannot exceed max buy
limit");
    }

    if (AMMPairs[to] && !isExcludedFromLimits[from]) { // SELL
        require(amount <= maxSellAmount, "MaxTx: Cannot exceed max
sell limit");
    }

    if (!AMMPairs[to] && !isExcludedFromLimits[from]) { // OTHER
        require(amount <= maxTransferAmount, "MaxTx: Cannot exceed max
transfer limit");
    }
}

```

(cont. next page)

```

    super._beforeTokenTransfer(from, to, amount);
}

function _afterTokenTransfer(address from, address to, uint256 amount)
    internal
    override
{
    if (!isExcludedFromLimits[to]) {
        require(balanceOf(to) <= maxWalletAmount, "MaxWallet: Cannot
exceed max wallet limit");
    }

    super._afterTokenTransfer(from, to, amount);
}
}

```

Exemptions: Certain addresses, such as liquidity pools and the contract owner may be exempted from this tax to facilitate specific essential functionalities. This is handled within the contract logic.

Benefits:

Fairness: By applying the tax uniformly across all transactions, it ensures that all participants contribute to the ecosystem's growth.

Transparency: The tax distribution is publicly verifiable on-chain, ensuring complete transparency and trust in the process.

3.5.5 Interaction with Other System Components:

TRUE BURN Mechanism: The tax interacts with the TRUE BURN Mechanism, sending a designated portion through the burn process, thus genuinely eliminating tokens from circulation.

Dividend Tracker: Part of the tax is used to calculate dividends for token holders, which are managed through the Dividend Tracker Contract.

Liquidity Management: A fraction of the tax is allocated to liquidity, facilitating efficient market operations.

3.5.6 Summation:

The implementation of the 3% buy and sell tax within the STACKS architecture exemplifies a well-thought-out economic model that balances rewards, liquidity provision, and token burn. By transparently and efficiently managing the tax, it nurtures a fair and robust ecosystem, underlining STACKS' commitment to long-term growth and sustainability.

3.6 Automatic Claims Management - Level 3

The STACKS architecture's ability to provide automatic claims for dividends is a key feature, enhancing user convenience and system efficiency. The automatic claims management system is constructed with attention to accuracy, timeliness, and fairness. Here's a detailed breakdown:

3.6.1 Claim Eligibility Determination:

Purpose: To ascertain whether a holder is eligible for claiming dividends.

Mechanism: Utilizes a private view function `_canAutoClaim`, that compares the current timestamp with the last claim time and the configured claim wait time to determine eligibility.

Benefits: Ensures that dividends are distributed according to the predefined schedule, maintaining fairness among holders.

```
function _canAutoClaim(uint256 lastClaimTime) private view returns (bool)
{
    if (block.timestamp < lastClaimTime) return false;

    return block.timestamp - lastClaimTime >= claimWait;
}
```

3.6.2 Automatic Claims Processing:

Purpose: To process dividend claims automatically within the gas limits provided.

Mechanism: Employs an iterative function that calculates the number of claims that can be processed within the specified gas limit. It processes claims in order and keeps track of the last processed index to continue in subsequent transactions.

Benefits: Maximizes efficiency in processing claims, optimizing resource usage and minimizing transaction costs.

(cont. next page)

```

function process(uint256 gas) external onlyOwner returns(uint256
iterations, uint256 claims) {
    uint256 numberOfTokenHolders = tokenHoldersMap.keys.length;

    if (numberOfTokenHolders == 0) return (0, 0);

    uint256 _lastProcessedIndex = lastProcessedIndex;
    uint256 gasUsed = 0;
    uint256 gasLeft = gasleft();

    iterations = 0;
    claims = 0;

    while (gasUsed < gas && iterations < numberOfTokenHolders) {
        _lastProcessedIndex++;

        if (_lastProcessedIndex >= tokenHoldersMap.keys.length)
            _lastProcessedIndex = 0;

        address account = tokenHoldersMap.keys[_lastProcessedIndex];

        if (_canAutoClaim(lastClaimTimes[account])) {
            if (claim(account)) {
                claims++;
            }
        }

        iterations++;

        uint256 newGasLeft = gasleft();

        if (gasLeft > newGasLeft) gasUsed = gasUsed + (gasLeft -
newGasLeft);

        gasLeft = newGasLeft;
    }
}

```

3.6.3 Triggering Automatic Claims:

Purpose: To initiate the automatic claims process based on specific criteria.

Mechanism: Implements a trigger mechanism that initiates the automatic claims process once the reward wallet has reached a predefined threshold (500 million tokens) upon a subsequent sale. This threshold is customizable by the owner and can be considered a fixed amount upon renunciation.

Benefits: Facilitates timely disbursement of dividends, ensuring that holders receive rewards as soon as they are eligible.

```
function _withdrawDividend(address account) internal returns(uint256) {
    uint256 withdrawableDividend = withdrawableDividendOf(account);

    if (withdrawableDividend > 0) {
        withdrawnDividends[account] = withdrawnDividends[account] +
withdrawableDividend;

        (bool success,) = payable(account).call{value:
withdrawableDividend}("");

        if (success) {

            emit DividendWithdrawn(account, withdrawableDividend);

            return withdrawableDividend;
        } else {
            withdrawnDividends[account] = withdrawnDividends[account] -
withdrawableDividend;

            return 0;
        }
    }

    return 0;
}
```

(cont. next page)

```
function updateSwapThreshold(uint256 _swapThreshold) public onlyOwner {
    swapThreshold = _swapThreshold;

    emit SwapThresholdUpdated(_swapThreshold);
}
```

```
constructor ()
    ERC20(unicode"STACKS", unicode"STACKS")
{
    . . .
    updateSwapThreshold(500000000 * (10 ** decimals()));
    . . .
}
```

3.6.4 Security Considerations:

Purpose: To safeguard the automatic claims process against malicious activities.

Mechanism: Implements robust security measures, including ownership checks and careful management of state variables, to prevent unauthorized access and manipulation.

Benefits: Guarantees the integrity of the automatic claims process, building trust within the STACKS community.

3.6.5 Summation:

The automatic claims management system within STACKS represents a fusion of convenience, efficiency, fairness, and security. Through engineering and careful design, it offers holders a streamlined and trustworthy means to claim their dividends.

3.7 Dividend Calculation and Distribution - Level 4

3.7.1 Dividend Eligibility and Dividend Tracker Token:

The STACKS architecture is carefully designed to handle this task with precision and efficiency.

Here's a breakdown of how the contract achieves dividend calculation and distribution:

Purpose: To define a clear set of rules for dividend eligibility and to maintain a Dividend Tracker token that represents this eligibility.

Mechanism: Utilizes balance checks with the Dividend Tracker token, minimum token balance requirements, and exclusion logic to determine eligible accounts. Holders of the Dividend Tracker token are automatically considered for dividend distribution.

Benefits: Creates a clear and fair system for determining eligibility, while enabling the possibility of tracking and trading dividend rights separately from the underlying STACKS tokens.

Note: The Dividend Tracker token may show up in certain wallet conditions. These tokens are more of a conceptual entity within the architecture and are tied directly with STACKS holdings. It is a critical component within the contract, serving to manage and calculate the dividends, rather than being a separate tradable or interactable token in its own right. This is in line with ERC/BEP-20 practices. The separate tracking of dividend rights through the Dividend Tracker token simplifies the calculation and distribution process.

3.7.2 Acquisition of BNB Rewards:

Purpose: To gather the necessary BNB to distribute as dividends to eligible holders.

Mechanism: The contract interacts with decentralized exchanges like PancakeSwap to convert a portion of transaction fees into BNB. The BNB is then accumulated within the contract, ready for distribution.

Benefits: Ensures a continuous flow of BNB for dividend payouts, enhancing the attractiveness of holding the token.

3.7.3 Dividend Calculation:

Purpose: To compute the BNB dividend amount for each eligible holder accurately.

Mechanism: Calculates the dividend amount based on the individual holder's Dividend Tracker token balance in relation to the total supply. This ensures a proportional distribution model.

Benefits: Aligns the rewards with each holder's stake, ensuring a fair and transparent system.

3.7.4 Automatic Dividend Distribution:

Purpose: To automate the process of BNB dividend disbursement.

Mechanism: Distributes dividends automatically as BNB rewards to eligible holders, utilizing the process function to iterate through accounts.

Benefits: Streamlines the distribution process, negating all need for manual intervention.
(cont. next page)

```

receive() external payable {
    distributeDividends();
}

function distributeDividends() public payable {
    require(totalSupply() > 0);

    if (msg.value > 0) {
        magnifiedDividendPerShare = magnifiedDividendPerShare + (msg.value *
magnitude / totalSupply());

        emit DividendsDistributed(msg.sender, msg.value);

        totalDividendsDistributed = totalDividendsDistributed + msg.value;
    }
}

```

3.7.5 Integration with DEXs:

Purpose: To enable seamless acquisition and liquidity management of BNB rewards.

Mechanism: Utilizes smart contract interactions with DEXs like PancakeSwap for acquiring BNB and managing liquidity.

Benefits: Ensures smooth operations within the DeFi ecosystem, enabling continuous availability of rewards.

Note: STACKS interfaces with PancakeSwap through the IUniswapV2Router02 interface, which extends the functionalities of IUniswapV2Router01 to include operations supporting Fee-on-Transfer Tokens. This ensures compatibility with a wide variety of tokens and contributes to a more flexible and user-friendly trading experience within the STACKS ecosystem. The IUniswapV2Router02 and 01 interfaces are widely utilized open-source pieces of software logic and can be viewed in full within the source code as imported libraries.

3.7.6 Summation:

The STACKS architecture integrates a multi-layered dividend calculation and distribution system, combining the Dividend Tracker token, BNB reward acquisition, proportional distribution, automation, transparency, and DeFi integration. This approach represents an elegant solution to the complex challenge of creating a fair and efficient dividend system in the blockchain space.

3.8 TRUE BURN Mechanism - Level 5

The TRUE BURN Mechanism represents a pioneering innovation within the STACKS architecture, offering a more genuine and efficient means of reducing the overall token supply. Unlike traditional burn methods where tokens are merely sent to an inaccessible address, STACKS's TRUE BURN Mechanism ensures that tokens are truly eliminated from the supply in real time on the chain and can never be reintroduced into the ecosystem. Here's a detailed examination:

3.8.1 Purpose – Mechanism – Benefits:

Purpose:

To effectively reduce the total supply of tokens, the TRUE BURN Mechanism creates scarcity, potentially driving up value. This strategy aligns with STACKS's commitment to sustainability and long-term growth.

Mechanism:

Token Destruction: STACKS's TRUE BURN Mechanism doesn't merely send tokens to a dead or inaccessible address, where they remain in supply and could theoretically (however unlikely) be accessed. Instead, it sends them to the specific address `0x00000000000000000000`, truly eliminating them from the total supply in real time. This controlled and unique address eradicates the tokens entirely, ensuring they are removed from circulation and can never re-enter the ecosystem.

Verification of Burned Amount: The contract's burn function is publicly verifiable. All stakeholders can confirm the amount and authenticity of any burn event, including adherence to the specific parameters defined within the contract.

Integration with Tokenomics: The TRUE BURN Mechanism is integrated into the token's trading volume tax structure, making it an essential aspect of the overall economic design. Tokens can only be burned within this context, ensuring alignment with the underlying economic principles of STACKS.

(cont. next page)

```

function _burn(address account, uint256 amount) internal virtual {
    require(account != address(0), "ERC20: burn from the zero
address");

    _beforeTokenTransfer(account, address(0), amount);

    uint256 accountBalance = _balances[account];
    require(accountBalance >= amount, "ERC20: burn amount exceeds
balance");
    unchecked {
        _balances[account] = accountBalance - amount;
        // Overflow not possible: amount <= accountBalance <=
totalSupply.
        _totalSupply -= amount;
    }

    emit Transfer(account, address(0), amount);

    _afterTokenTransfer(account, address(0), amount);
}

```

Benefits:

Enhanced Scarcity: By genuinely removing tokens from circulation and controlling the burn process, the TRUE BURN Mechanism contributes to increased scarcity.

Transparency: With every burn event recorded and verifiable on-chain, stakeholders can trust in the integrity of the process.

Sustainability: The TRUE BURN Mechanism aligns with the broader goals of STACKS, contributing to long-term sustainability and value.

3.8.2 Interaction with Other System Components:

The TRUE BURN Mechanism is not an isolated function but rather an integrated component of the STACKS architecture. Here's how it interacts with other parts:

Updates to Total Supply: Every burn event immediately reflects in the total supply on-chain, ensuring that the entire ecosystem remains in sync and accurately represents the real-time token supply.

Compliance with Tokenomics Principles: The TRUE BURN Mechanism aligns with STACKS's overarching economic principles, including its rewards, liquidity, development, and other fees.

3.9.2 Transaction Limits Purpose:

To prevent large, sudden transactions that could destabilize the token's price or liquidity.

Mechanism:

Sets a maximum transaction size (10 billion tokens), which restricts the number of tokens that can be bought, sold, or transferred in a single transaction.

Benefits:

Enhances stability by mitigating the impact of large, sudden sell-offs or purchases, contributing to a more predictable and controlled trading environment.

3.9.3 Summation:

The wallet and transaction limits within the STACKS architecture represent a carefully calibrated approach to ensuring balance, stability, and fairness within the ecosystem. Through a combination of clear rules, dynamic adjustments, integration, and transparency, these limits contribute to the overall integrity and resilience of the STACKS token, emphasizing the project's commitment to creating an equitable and democratic environment for all its participants.

3.10 Security Measures

3.10.1 Overview:

STACKS employs multi-faceted approaches to security, aligning with industry best practices and leveraging the inherent features of the Binance Smart Chain (BSC). From limiting access to ensuring mathematical integrity, promoting transparency, and utilizing BSC's secure environment, the layers of security measures are designed to protect the interests of token holders and maintain the robustness of the system. The security approach not only emphasizes preventive measures but also includes mechanisms for continuous oversight and the ability to respond to potential issues, contributing to the overall resilience and trustworthiness of the STACKS architecture.

Utilization of Binance Smart Chain (BSC) Security: Running on the BSC network adds a layer of security through its established consensus mechanisms and decentralized nature. BSC's reputation for stability and security enhances the overall safety of the STACKS architecture, making it more resistant to malicious activities.

Immutable Settings After Renouncement: Once the contract ownership is renounced, specific parameters and settings within the contract become immutable. This solidifies the contract's behavior, providing assurance to token holders that certain rules cannot be altered arbitrarily.

Time-Based Controls: By utilizing time-based restrictions (e.g., the claim wait period), the contract ensures that actions are only carried out at appropriate intervals. This can prevent malicious actors from spamming the network and adds a layer of protection against certain attack vectors.

Access Control: The contract leverages role-based access controls, such as only Owner, to limit who can execute specific administrative functions. This ensures that only authorized addresses, typically the contract's creators or maintainers, have the capability to modify key parameters. Once contract renunciation takes place, this becomes an immutable element of security to modify key parameters. Once contract renunciation takes place, this becomes an immutable element of security.

Safe Arithmetic Operations: Utilizing libraries like SafeMath, the contract mitigates risks related to integer overflows and underflows. These safe mathematical operations ensure that arithmetic errors or exploits do not result in unintended behavior.

Transparency and Audibility: Being a part of the open-source codebase, the contract's logic and inner workings are transparent to all. This allows for community audits and reviews, which can contribute to the identification and remediation of potential vulnerabilities.

Integration with Reputable Decentralized Exchanges (DEXs): By engaging with well-known and respected DEXs like PancakeSwap, the dividend tracker contract leverages the security measures inherent in those platforms.

3.10.2 Summation:

The integration of BSC's established security infrastructure, coupled with the comprehensive measures implemented within the STACKS architecture offers a robust defense against potential threats. By considering a wide array of potential risks and proactively addressing them through a layered approach, the STACKS security measures exemplify a commitment to safeguarding the interests of the community and maintaining the integrity of the ecosystem.

3.11 Conclusion

The Technology and Architecture of STACKS represent a sophisticated, well-crafted, and comprehensive design aimed at achieving transparency, efficiency, security, and sustainability within the digital financial ecosystem. Building on a strong foundation provided by the Binance Smart Chain, STACKS employs innovative techniques and best practices across its structure to ensure the system's robustness.

From the decentralized nature of STACKS to the thoughtful tokenomics, the unique TRUE BURN Mechanism, wallet and transaction limits, and robust security measures, each is meticulously integrated and aligned with the project's long-term vision.

The aforementioned reflects not only technical excellence but a commitment to creating a fair, equitable, and thriving environment for all participants.

The Auto-Burn Fees, the ingenious implementation of rewards and fees distribution, and the emphasis on compliance to standards and community engagement all underscore the project's dedication to both the technology's intricacies and its broader social implications.

The Technology and Architecture of STACKS is not just a collection of features and functions; it's a synergistic ecosystem where each part complements the others, creating a cohesive, secure, and scalable framework. It stands as a testament to the project's forward-thinking approach and relentless pursuit of excellence, setting the stage for continued growth and success in the ever-expanding world of blockchain.

4 Regulatory Alignment and Considerations

In the burgeoning field of decentralized finance (DeFi), compliance with existing legal frameworks is paramount. This section outlines the key regulatory considerations that have guided the development and operation of our project.

4.1 Alignment with Existing Legal Frameworks

No Initial Coin Offering (ICO):

Initial Coin Offerings (ICOs) have often intersected with securities regulations. STACKS, by its inherent design and focus on decentralized community-driven growth, did not embark on an ICO. This approach, in addition to other factors, naturally places STACKS outside the traditional legal considerations tied to securities and ICO's, aligning more closely with its core values and principles as a decentralized store of value and commodity, distancing itself from potential legal liabilities tied to securities regulations.

Decentralization and Community Participation:

The core of the STACKS project is built on decentralization, where transaction volume drives revenue rather than reliance on a central entity or promoter. This approach aligns with recent regulatory precedents, positioning our project more as a commodity akin to Bitcoin.

Alignment with the Howey Test:

The legal definition of security has been carefully considered, especially as delineated by the Howey Test. Our structure does not entail that profits are derived solely from the efforts of a centralized team or third party, maintaining compliance with the relevant legal standards.

Clear Communication and Disclaimers:

Transparent communication with participants is integral to our project. By implementing clear disclaimers and calibrated selection of language related to expectations and compensation, we further align with regulatory requirements.

Success Through Adoption:

Our project seeks to establish itself as a recognized store of value and a commodity. The decentralized nature of our ecosystem emphasizes the importance of widespread adoption, reflecting our commitment to a legitimate and enduring use case.

Adherence to Recent SEC Rulings:

We have analyzed the recent rulings by the SEC, including the favorable decision in the XRP case. By understanding and aligning with these judgments, we have incorporated insights that reinforce our regulatory compliance.

4.2 Potential Regulatory Polymorphism in the Crypto Space

In the rapidly advancing world of cryptocurrencies and decentralized finance (DeFi), regulatory classification can be a nuanced and fluid concept. This complexity is aptly described through the term "regulatory polymorphism," highlighting the multifaceted nature of crypto assets as they evolve over time.

Initial Classification as a Security:

In many jurisdictions, crypto assets may initially be classified as securities during their fundraising phase, especially when an Initial Coin Offering (ICO) is conducted. This classification typically stems from the perception that early investors are primarily motivated by the potential profits generated through the efforts of a centralized development team or promoter.

Transition Towards a Commodity:

As a project matures and shifts toward a more decentralized model, the regulatory classification may similarly evolve. When the control and promotional efforts are distributed among a broader community of stakeholders, and the asset's value becomes more tied to its utility within a decentralized network rather than the efforts of a specific entity, in line with being classified as a commodity.

The Role of Decentralization:

Decentralization is often a key factor in this transition. A fully decentralized asset, where no single party has control, could effectively separate itself from the legal definition of a security. The asset's value and functionality become intrinsically linked to its broader ecosystem and the community's collective efforts, rather than being reliant on a singular controlling entity.

Embracing a Dual Nature:

Some crypto projects deliberately walk the line between these classifications, capitalizing on the benefits of both worlds. Through careful structuring and adherence to regulatory guidance, these projects can operate within the legal bounds of multiple jurisdictions, taking on a polymorphic regulatory identity.

Considerations for STACKS:

STACKS, with its focus on decentralized revenue streams and community-driven growth, naturally aligns with existing legal frameworks as a store of value and commodity, akin to well-established cryptocurrencies like Bitcoin. As the space continues to evolve, STACKS remains committed to transparency and adherence to all applicable laws, while maintaining its core decentralized ethos.

Future Regulatory Landscape:

The dynamic nature of the crypto space requires constant vigilance and adaptability. As laws and regulations continue to evolve, projects like STACKS must remain attuned to the shifting landscape, ready to adapt and grow in line with the broader movement towards decentralization and the democratization of finance.

4.3 Conclusion:

Navigating the regulatory landscape of cryptocurrencies requires a vigilant and proactive approach. Our project has taken measures to ensure that it operates within the bounds of current laws and regulations. By fostering a DeFi ecosystem that is community-driven and decentralized, and by adhering to legal standards such as the Howey Test, we have positioned our project to flourish in a complex and evolving regulatory environment.

For a more detailed legal analysis, we direct interested parties to consult the SEC's Framework for Investment Contract Analysis of Digital Assets.