

\$USTC ↔ \$INRT Repeg Plan/Proposal

Introduction

1 \$USTC is currently **98% below the peg of 1 USD**, but 1 \$USTC is **64% above** the traded value of 1 INR (Indian Rupee - ₹).

INR is the official currency of my country and it is **82 times lesser** than a dollar.

In other words,

\$1 USD = approx. ₹ 82 INR

So,

1 \$USTC = \$ 0.02 = ~ ₹ **1.64 INR**

It may not be possible to repeg \$USTC (without a complete buyback or reverse split of the blockchain) since it is 98% below value, but **it is definitely possible to issue a stablecoin that can only be bought using \$USTC.**

In this plan, neither is a reverse split required, nor is building any complicated modules required

In fact, a stablecoin can be issued on the Terra Luna Classic blockchain pegged to the Indian Rupee **INR backed 100% by reserves.**

The following block diagram describes the complete ecosystem which will have to be designed and developed in order to repeg \$USTC.

\$USTC ↔ \$INRT REPEG PLAN

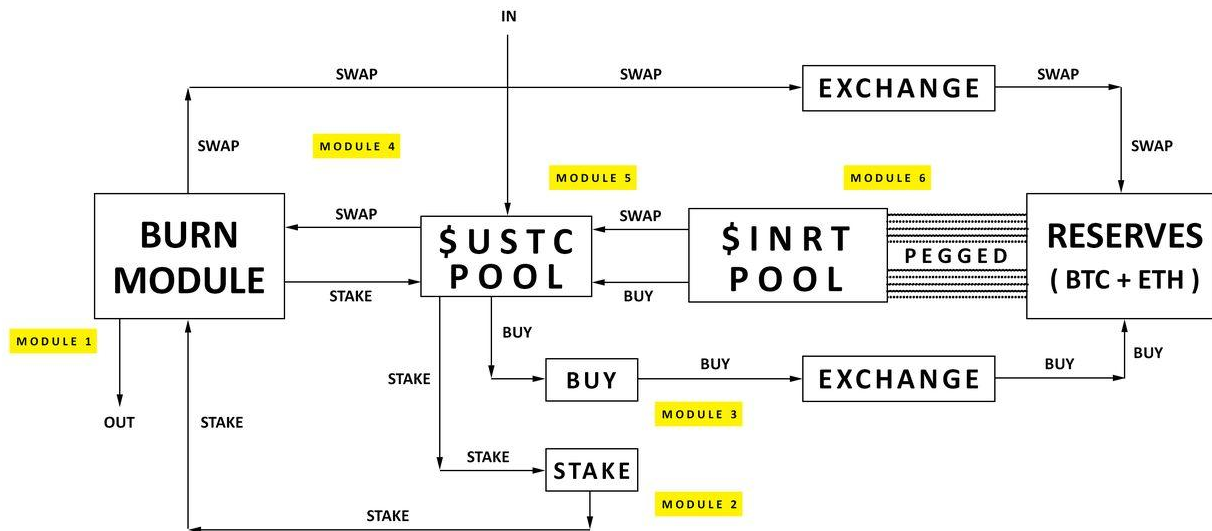


FIG. 1

Fig 1: Complete USTC ↔ INRT Repeg System

Although the block diagram above is represented as a singular unit, it is in fact divided into 5-6 modules, 3 different processes and 2 interconnected group of specifications.

I will attempt to describe the complete process in layman terms so that the process and the work required to be done is understood by technical as well as non-technical members of the community. I will limit myself to using technical terms as much as possible in this document.



What is \$INRT

\$INR-Terra or **\$INR-T**, abbreviated as, **\$INRT** is a native stablecoin of the Terra Luna Classic ecosystem **pegged to 1 Indian Rupee (₹)**.

\$INRT is the first truly decentralized trustless stable cryptocurrency coin in the world

\$INRT will be issued on the Terra Luna Classic blockchain, developed and maintained wholly by the Terra Luna Classic community.

\$INRT shall NOT be legally undertaken by TFL, Do Kwon and/or any other entity, team or individual currently represented in the Terra Luna Classic ecosystem.

\$INRT shall be developed and maintained **ONLY** by the developers of the Terra Luna Classic ecosystem.

\$INRT shall be governed by the Governance process (gov module) of the Cosmos ecosystem and a **separate governance portal and discussion forum** will be made available to the community members to govern all affairs related to \$INRT.

Tokenomics

1. \$INRT shall be issued on a strictly **on-demand** basis and there shall be NO airdrops issued to participating wallets
2. \$INRT shall NOT be airdropped to “**pre-crash**” wallets indicated in the snapshot before the crash of Terra-Luna
3. There will be absolutely NO KYC permitted while issuing \$INRT by **any entity** which requests for \$INRT to be issued

In order for us to be able to issue \$INRT on the Terra Luna Classic ecosystem as a native token that has a value, we require a **\$USTC pool that shall be converted to an initial \$INRT pool.**

Total Value of \$USTC Pool required (as initial investment) - 3,000,000 \$USTC

Value of 1 \$USTC - \$ 0.02 USD

Value of \$ 1 USD (in Indian Rupees) - ₹ 82

Thus,

Value of 1 \$USTC (in Indian Rupees) = $0.02 \times 82 = ₹ 1.64$

Total Value of \$USTC Pool (in Indian Rupees) = $3,000,000 \times 1.64 = ₹ 4,920,000$

Since, **1 ₹ = 1 \$INRT,**

Total Initial Supply of Tokens - 4,920,000

Value of **1 \$INRT** (in USD) = $1 \div 82 = \$ 0.012195$ USD

NOTE:-

1. *The above is a representative figure for the number of tokens issued initially since the total number of tokens will depend upon the total investment available for the investment during the launch of the token sale*
2. *The actual number of tokens issued will be slightly lesser than the calculated number since there will be some consumption of gas fees in the process of moving the \$USTC and issuing the tokens for the initial token sale*

Conditions/Constraints/Specifications

The specifications below have been divided into two separate sets to understand how they correlate with each other and how the process flow of the system works.

Although it is in no particular order (since this is a decentralized system and all processes work parallel to each other), the following specifications describe the general conditions under which the system shall operate.

Specification Set 1

1. \$INRT can **only be bought *in lieu of* \$USTC** and/or stablecoins issued on the Terra Luna Classic ecosystem
2. \$USTC and/or stablecoins issued on the Terra Luna Classic ecosystem create the **reserve pool required for \$INRT**, when \$USTC and/or other stablecoins are traded/swapped for \$INRT
3. Since \$INRT is a stablecoin, the reserve pool **has to be maintained 1:1 with another asset class** that will balance the number of \$INRT tokens being issued in exchange for \$USTC and/or other stablecoins
4. Instead of maintaining this reserve pool as fiat (in a bank), we will maintain this reserve pool as a transparent blockchain **reserve asset class of \$BTC and \$ETH**
5. When we exchange \$USTC for \$BTC+\$ETH, **some other wallet would be buying an equivalent value of \$USTC from us** which remains in circulation and in the buying wallet
6. Since it is assumed (in *Point 1*) that the buying wallet has bought \$USTC to exchange for \$INRT, during the time the \$INRT is being issued to the buying wallet **0.1% fees will be deducted to burn (buy-back) an equivalent amount of \$USTC** and **0.1% additional fees will be charged to be sent to the Terra Luna Classic Community Pool** for funding development work on the blockchain
7. If the buying wallet instead stakes the \$USTC with us (details in *Specification Set 2*), then the process flow will follow from *Specification Set 2*, otherwise, buying wallet will follow process flow from *Specification Set 1 Point 5* again

\$USTC ↔ \$INRT REPEG PLAN

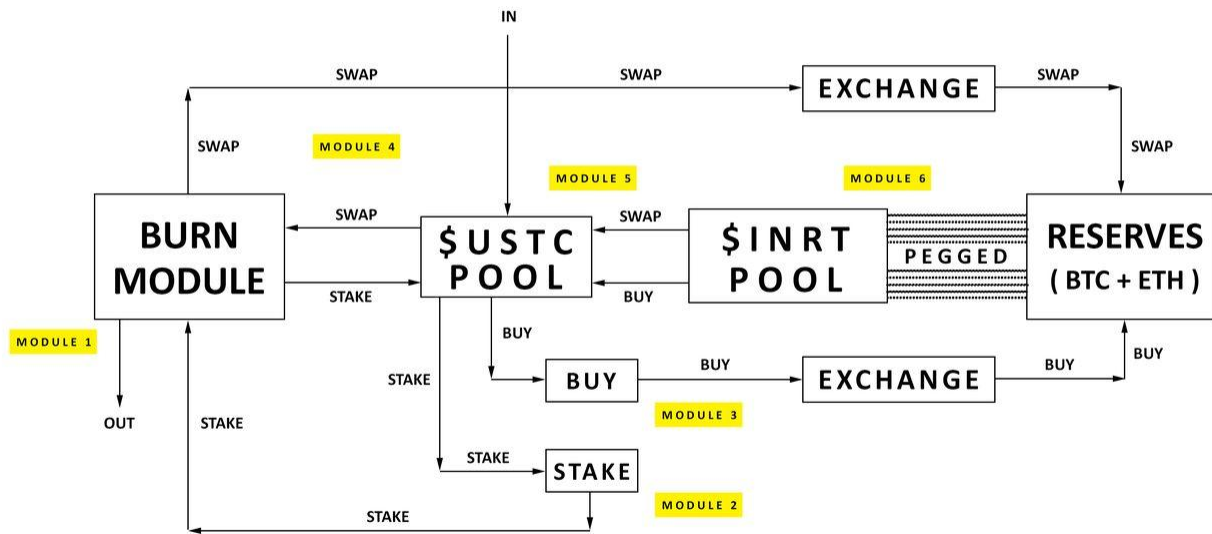


FIG. 1

Fig 1: Complete USTC↔INRT Repeg System

Specification Set 2

1. **Rewards for staking \$USTC** with us will accumulate **yield as \$INRT**, avoiding flooding supply of \$USTC in circulation during rewards withdrawal
2. Staking options for \$USTC will be enabled with Auto-Compound (every 24 hours) and a lock-in period of 12-36 months (stakers will not be able to unstake before 12 months)
3. While unstaking \$USTC or claiming rewards as \$INRT **0.1% fees** will be deducted **to burn (buy-back) an equivalent amount of \$USTC** and **0.1% additional fees** will be charged **to be sent to the Terra Luna Classic Oracle Pool** for rewarding stakers on the blockchain
4. **No fees** shall be deducted for the **Auto-Compound** function

The conditions or specifications described above have been translated into a block diagram (below) so that the process flow of the complete system can be visualized together.

Process

The complete repeg system described above can be subdivided (for sake of simplicity and understanding) into three separate parts of the system.

I have attempted to view and describe these parts individually and have provided details of each part under the following heads.

NOTE:

- Part 1 and Part 2 are separate processes
- **Part 3 is a common process** for both Part 1 and Part 2

Part 1 - The BUY Process

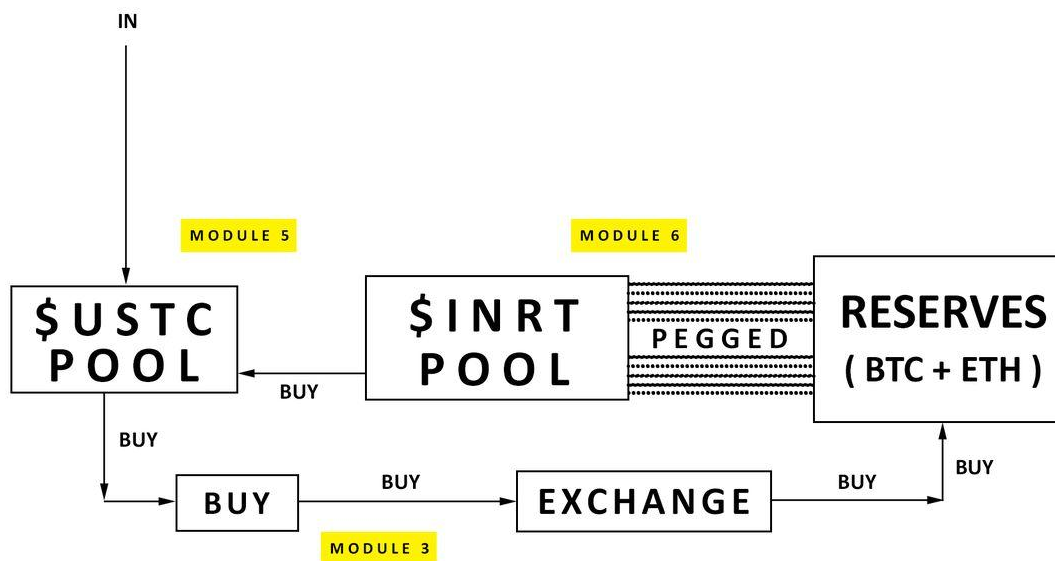


FIG. 2

Fig 2: Part 1 - The BUY Process

Process Starts At: **IN**

Process:

1. Buying wallet provides liquidity to our \$USTC Pool
2. Equivalent value of \$INRT is calculated and issued to buying wallet
3. While buying \$INRT,
 - a. 0.1% \$USTC is sent to Burn Module
 - b. 0.1% \$USTC is sent to the Terra Luna Classic Community Pool

4. \$USTC from buying wallet is sent to Buy Module to exchange to \$BTC+\$ETH Reserves

Note - For sake of simplicity I have not shown the Burn Module here, which has been explained in Part 3.

Part 2 - The STAKE Process

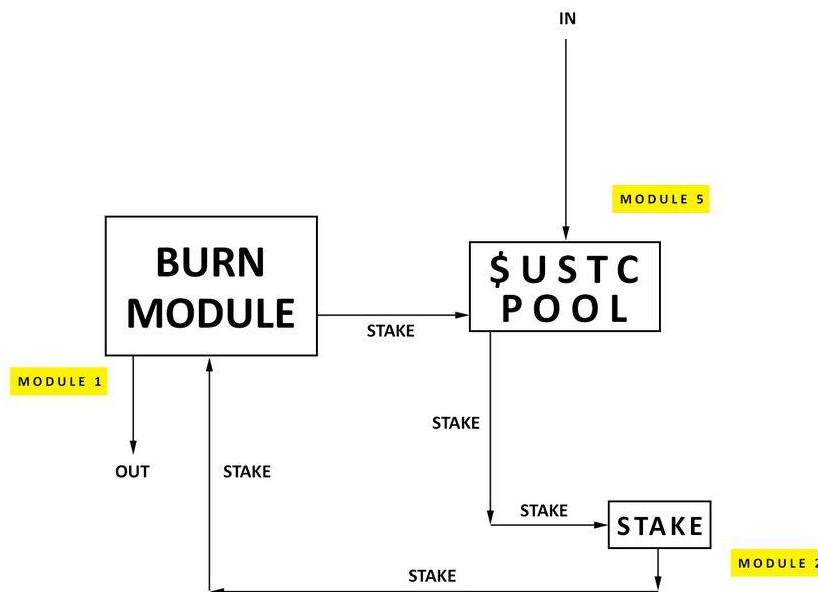


FIG. 4

Fig 3: Part 2 - The STAKE Process

Process Starts At: **IN**

Process:

1. Buying wallet stakes \$USTC (provides liquidity) to our \$USTC Pool
2. If \$USTC is Unstaked coins move OUT of the system
3. While Unstaking,
 - a. 0.1% \$USTC is sent to Burn Module
 - b. 0.1% \$USTC is sent to the Terra Luna Classic Oracle Pool
4. If \$USTC is Auto-compounded coins go back into \$USTC Pool

Part 3 - The SWAP Process

NOTE:-

This is an *INTERNAL* swap “process” and has *NOTHING* to do with the Cosmos swap module (which is part of the bank module) that is currently defunct (market swap) on Terra Luna Classic.

THIS IS NOT A SWAP MODULE. THIS IS AN INTERNAL PROCESS TO DESCRIBE HOW \$USTC IS CONVERTED TO \$INRT AND APPLIES DURING BUYING AND UNSTAKING

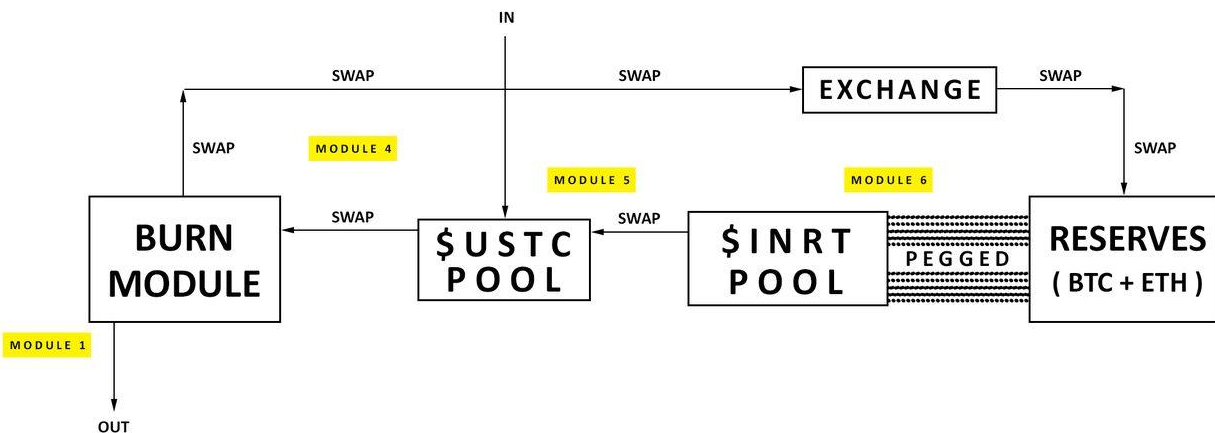


FIG. 3

Fig 4: Part 3 - The SWAP Process

Process Starts At: **\$USTC POOL**

Process:

1. Buying wallet sends \$USTC to Burn Module
2. Buying wallet requests to receive \$INRT for \$USTC
3. \$USTC is sent to Burn Module
4. Remaining \$USTC is sent to Exchange
5. Reserves are created in \$BTC+\$ETH
6. \$INRT is issued to buying wallet
7. Buying wallet sells or stakes

Modules

The plan has been divided into 2 sets of [Specifications](#) and 3 [Parts](#) of a parallel process system above which make up the high-level design of the system.

Now, we shall further divide the system into 6 different modules for a low-level explanation of the technical aspects of the system and to understand better what is required in order to code and execute such a system.

Module 1 - BURN Module (\$USTC L2)

The Burn module is a misnomer for the function of this module, since a burn is simply a buy-back in the technical sense of the term, and a burn would entail to sending the coins to a zero address coded into the blockchain.

Such an address generally exists when a blockchain on Cosmos is instantiated with its genesis configuration file and should exist for \$USTC as well.

Burns can be alternatively implemented by converting \$USTC to a CW-20 token and then burning the token.

Module 2 - STAKE Module (\$USTC L2)

The Stake module is simply a liquidity pool provider and handler. It does NOT cut the supply of \$USTC directly since staked \$USTC will be used to provide liquidity for the swap functionality in which buyers can make instantaneous swaps at market price between \$USTC and \$INRT.

We are already burning a substantial supply of the \$USTC while unstaking and buying \$INRT. This process does not require the development of a L1 staking module and can be handled completely on L2 functionality already present on the Terra Luna Classic blockchain.

Module 3 - BUY Module (\$INRT L1/L2)

The Buy module connects to the \$INRT Pool to issue \$INRT tokens to the buying wallet. This module would already be present when the new \$INRT blockchain is instantiated so there is no development required to build it specifically.

This buy module will enable \$USTC to be sent to the \$USTC Pool and track exactly how much is to be issued to the buying wallet. It will confirm the transaction when the equivalent value of \$BTC+\$ETH has been exchanged into the Reserve Pool, securing reserves 1:1 for the \$INRT being issued to the buying wallet.

Module 4 - SWAP Module (\$USTC L2)

As described before this, the Swap module is simply a common functionality to both the Buy and Stake modules, which is required for both modules to function properly. This Swap module will enable \$USTC swaps to \$BTC+\$ETH and track both issued and issuing wallets for confirmation of transactions on both the \$USTC chain as well as the \$INRT chain.

Module 5 - \$USTC Pool (\$USTC L2)

The \$USTC Pool is one of the most important components of our system since it will be used to issue the initial set of tokens for \$INRT which will be the first stablecoin correctly pegged to a currency after the Terra-Luna crash.

The initial investment required to create this pool has been described in the [Budget](#) section.

Module 6 - \$INRT Pool (\$INRT L1)

The \$INRT resides on the \$INRT blockchain and it is separated from the Terra Luna Classic community via a separate governance portal and discussion forum.

Tokens will be issued to holders in lieu of an equivalent amount of \$BTC+\$ETH which shall be held in reserves.

Thus, this \$INRT pool of tokens issued during the creation of the blockchain will be inflationary in nature and new tokens will be issued/minted according to reserves we hold 1:1. This is similar to holding reserves in a bank in fiat, but in this case, we are holding it in a wallet in \$BTC+\$ETC.



Timeline

It will require **approximately 6 Months** to develop the complete repeg system which involves developing and issuing a new stablecoin \$INRT on the Terra Luna Classic ecosystem and enabling buy/trade/swap functionality for \$INRT using only \$USTC.

Budget

I require a supply of depegged stablecoins from the Community Pool for my work so that I can use those coins to work on how I can gradually bring them back into the system like \$USTC, and enable buying \$INRT stablecoins using the other stablecoins which had been depegged in the crash.

For the complete project of 6 months, I would request the community to provide me with the following funding:

For the \$USTC Pool - 2,000,000 \$USTC (approx. \$ 40,000 USD) — will be completely invested to issue and convert into new \$INRT coins

For 6 months of L1 and L2 development work - 1,000,000 \$USTC (approx. \$ 20,000 USD)

Total Investment requested - 3,000,000 \$USTC (approx. \$ 60,000 USD)

Team

I, Arunaday Basu, am currently the sole developer of this project. If it is required to take additional help for the project, I will take the help on my own salary and the community does not need to pay *anything* additionally apart from what has been mentioned in the [Budget](#).

You can find an introduction to me [here](#), and [here](#) and the following is a brief description of my professional experience along with my social/public profile links:

I am primarily a full-stack JavaScript developer and MERN (MongoDB, Express, React, Node) is the stack that I generally prefer to work on. I have almost 13 years of development experience in various languages, stacks and CMS. I am professionally a business owner and I have a Bachelor of Engineering degree in Computer Science and Technology I have been involved with various startups and I have been employed in a company (MyGlam) which is a unicorn startup company now. I have also worked on a blockchain project on EOS (MediPedia), as a React developer and then with one of the best advertising agencies in my country (Zero Budget Agency), in various positions, from development to strategic marketing. After that, for the last 3 years, I have been managing my family business of over 26 years in electronics & electricals, miners and other equipment and continuing to work on my own coding projects. I am a resident of India, and apart from coding, I am passionate about trading on the cryptocurrency market, mining, history and art.

You will be able to find my current projects on [GitHub](#) and as you will notice, I have already been contributing to the Rebel Station wallet for Terra Luna Classic. You will further notice in my GitHub repo that I am working on a wallet for the new blockchain called Archway.

All that I am sharing with you are either past projects that I have worked on or side projects that I am working on currently.

LINKS TO MY PROFILES:


LinkedIn: <https://www.linkedin.com/in/aranaday>

GitHub: <https://github.com/aranadaybasu>


Twitter: <https://twitter.com/klohtweets>

PROPOSALS ALREADY IN DISCUSSION:


<https://classic-agora.terra.money/t/lunc-community-custodian/50405>

 LUNC Community Custodian • classic-agora.terra.money

<https://classic-agora.terra.money/t/the-bad-fund-burn-dapp-development-fund/50736>

 The BAD Fund (Burn dApp Development Fund) • classic-agora.terra.money

<https://classic-agora.terra.money/t/proposal-for-auto-spot-trading-bot/50427>

 Proposal for Auto Spot Trading Bot • classic-agora.terra.money

Pros & Cons

Disadvantages

- This is a complicated proposal so it will take time to build, issue, test and release a stablecoin pegged to an actual currency - almost 6 months
- Since I am a solo developer, I will take more time to develop this than I would have taken if I would have worked with an entire L1 Team of 6 people, but I do NOT wish to do so with the current iteration of the L1 development team nor am I willing to overcharge the community by making up non-existent developers
- I cannot possibly fund this proposal or work without money. It would have been possible had this been a small dapp or even a wallet. But I will need to provide FULL-TIME work to the community (6-8 hours each day) to complete this project within the stipulated 6 months period, and I cannot do this without a guarantee

and appropriate remuneration of my employment with the Terra Luna Classic community

Advantages

- Burns supply of \$USTC and other depegged Terra-Luna stablecoins directly
- Introduces a correctly pegged stablecoin to the ecosystem before \$USDC becomes the default stablecoin of the Cosmos ecosystem/market
- I AM the developer who is going to develop this entire system with minimal external help. I am directly reachable 24x7 via Agora, Discord, Telegram, Email and if required, on Whatsapp
- I DO NOT require the help of the L1 Team to do my work and execute this plan end-to-end. I also do not require the help of other developers since I am a Senior Full Stack developer myself
- I will provide DAILY updates with complete details about work done. If I take a holiday I shall inform the community beforehand about leaves well in advance
- The word “burn” has been mentioned 17 times and the word “USTC” has been mentioned 75 times in this document, so this plan deals, without any doubt that I have, directly with burns as well as \$USTC

Declaration

If this proposal is passed by the community, I will provide the community with a Stamp Paper issued by the local Sessions Court in my local jurisdiction in which it shall be notarized/attested by a Magistrate/Corporator that my employment with the Terra Luna Classic community shall last for 6 months during which time I shall be employed full-time with the community, and that the community has the right to terminate my employment with the community at any time by passing a vote in governance. This document shall be made available to ALL members of the community.

Notes

The community has, till now, invested close to \$ 300,000 USD on L1 & L2 development and is about to invest close to \$ 40,000 more on L2 development. Next quarter, the community will need to invest close to \$ 120,000 USD more to fund the

L1 Team which continues to struggle at it's work for almost ONE ENTIRE YEAR now. The results we have to show for \$ 300,000 USD investment till now, are shameful, to say the least. I will go as far as to say that it was a direct breach of community trust with money that was taken from the Community Pool.

There is absolutely NO ONE and NOTHING that is working on developing a solution which re-funds the Oracle and Community Pool(s) of Terra Luna Classic directly. This repeg plan might be the ONLY way to re-fund the Community Pool considering that other developers are not even bothered about the near-empty Community Pool from which they are withdrawing their salaries. I do not think they understand that there is no more money for Quarter 3 of L1 development work after Rebel Station is funded. Other considerate members of the community have forcefully passed proposals to reduce the funding of the Community Pool. A complete disaster is about to take place in less than 6 months if we do not fund a plan, with the little money we have remaining, that directly sends money to the Oracle and Community Pool(s).

This proposal is a culmination of many ideas from the number of discussions I have read on this particular topic of a possible \$USTC Repeg (including Ziggy), but the reason I am proposing this is because I will be the primary developer and project manager handling this entire plan. I will not be working with the L1 Development for this work since it is not required to do so according to the plan. Also, L1 Development is slow, so I do not wish to depend upon their development to achieve goals of the community.

Having said that, I understand that Duncan's proposal (Ziggy) is in discussion and I have recommend him to work with the L1 Team. I have kept that in mind and this proposal does not interfere with his proposed \$USTC Repeg plan since I will not require L1 Development to be done for my plan, so both plans can work independent of each other and yet try to achieve the same goal of \$USTC Repeg.

Thanks for reading this till the end.