

Kusama at a Crossroads: Forging a Self-Financing Future

A Wish For Change to Establish a Sustainable Treasury Strategy



We Face a Clear, Binary Choice

YES



Adopt a New Treasury Strategy

Replace one-way KSM grants with **repayable KSM loans**. Build a **diversified, dollar-dollar-denominated reserve** to achieve long-term financial independence.

NO



Maintain the Current Grant Model

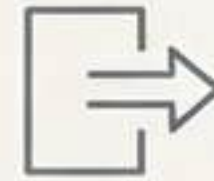
Continue the **existing grant-based system** and remain **dependent on market sentiment** and KSM price volatility.

This is a vote on Kusama's **fundamental economic model**.

Our Economic Sustainability is Tied to Market Whims

The current treasury model is not resilient to market cycles.

KSM Price Volatility



Non-Recoverable Outflows:

Treasury spending is a one-way street; funds are spent, not invested.



Negligible Revenue: Coretime and transaction fees are not enough to sustain the network.



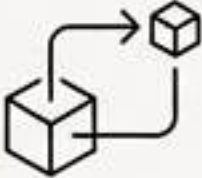





Validator Instability: Operations become unviable for validators when KSM prices fall.



No Diversification: The treasury balance sheet is entirely exposed to the volatility of a single asset (KSM).

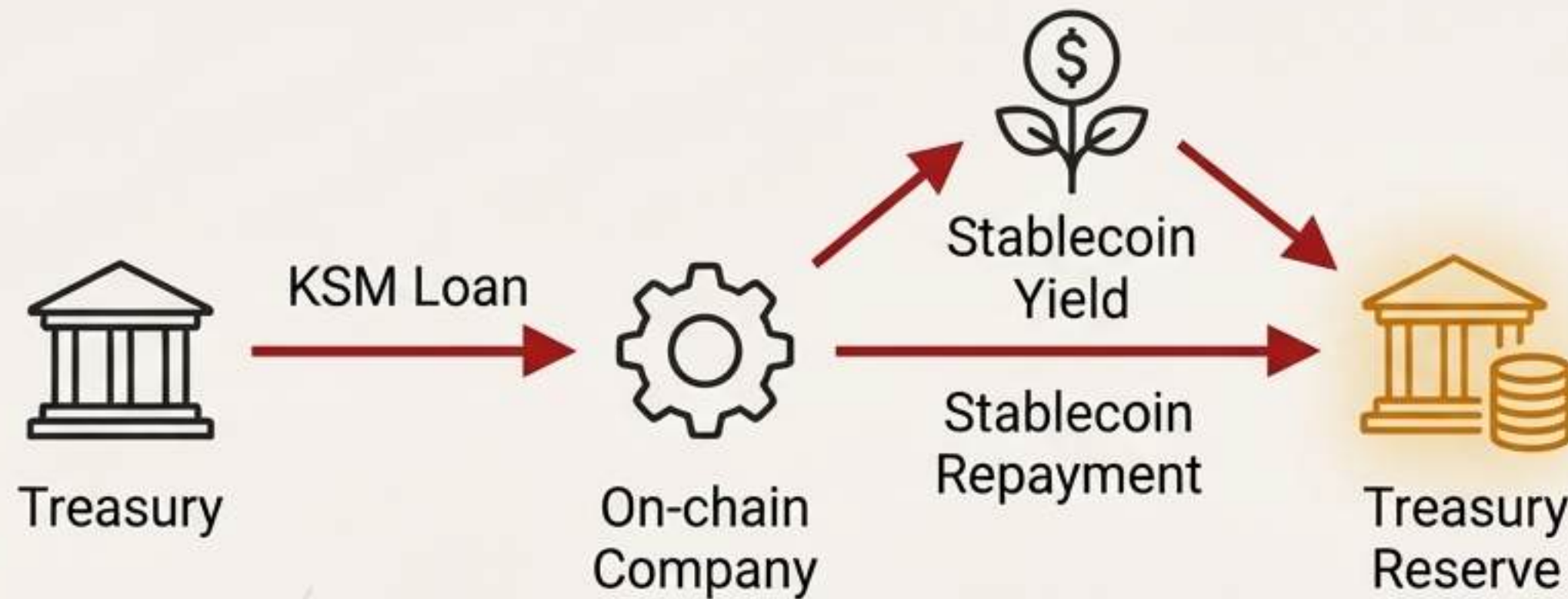
We're Measuring Activity, Not Economic Impact

Our current KPIs are subjective and easily manipulated, providing a false sense of progress.

The Metric	The Flaw
On-chain activity (TVL, DAUs, transactions) 	Can be easily faked or Sybil-attacked. 
Off-chain marketing (Views, impressions, signups) 	Reflect marketing spend, not economic progress. 
Subjective "Impact" 	Is domain-dependent and difficult to compare across initiatives. 

Kusama requires metrics rooted in objective economic performance, not marketing proxies.

The Solution: Turn Treasury Spending into Productive Investment



Core Concept: Replace one-way KSM grants with **repayable KSM loans** issued to on-chain companies.

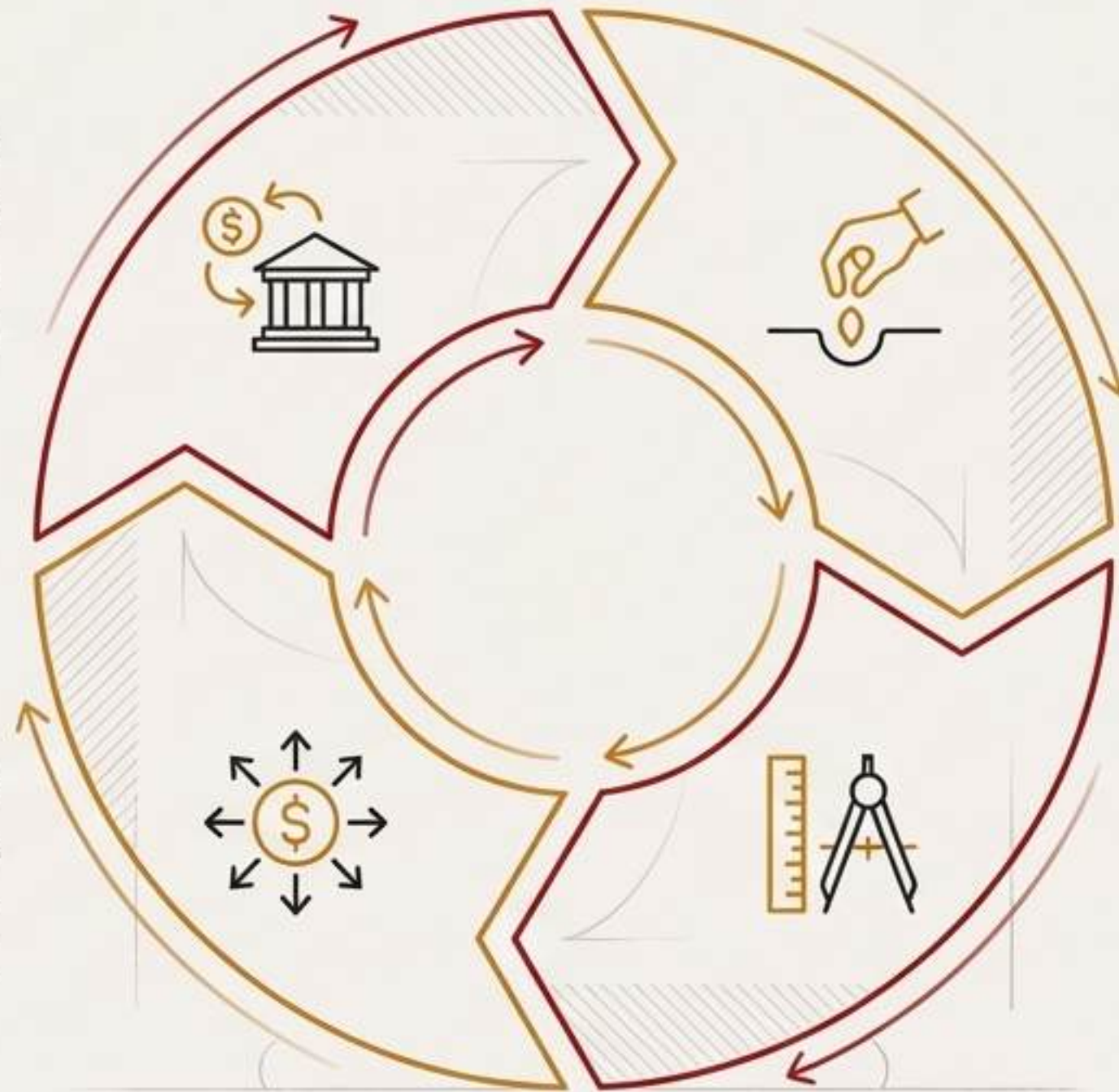
The Mechanism: These companies launch regulated, branded stablecoins on Asset Hub. They then repay the treasury loan using a portion of the yield generated from their stablecoin float.

Key Shift: Repayments are made in **stablecoins**, not KSM.

Creating a Self-Reinforcing Economic Engine

REPAY & DIVERSIFY:
A share of yield repays the treasury in stablecoins, building a diversified, productive reserve.

EARN:
Stablecoin float generates real-world, dollar-denominated yield.



INVEST:
Treasury issues KSM loans to vetted on-chain businesses.

BUILD:
Businesses launch regulated stablecoins and build real-world products and services.

Value is recirculated and compounded within the ecosystem, not extracted by third parties.

A System Built on Accountability and Verifiable Growth

The Old Way (Grants)

Metrics: Subjective, Gameable (TVL, DAUs)

Accountability: Low (Non-recoverable funds)

Treasury Impact: KSM Depletion

Incentives: Short-term activity

Sustainability: Dependent on KSM price

The New Way (Loans)

- ✓ **Metrics:** Un-gameable (Audited stablecoin supply)
- ✓ **Accountability:** High (Loans are liabilities for teams, assets for treasury)
- ✓ **Treasury Impact:** Diversified Reserve Growth (Stablecoins)
- ✓ **Incentives:** Long-term economic value creation
- ✓ **Sustainability:** Stable, predictable income for validators & R&D

The Path for an On-Chain Company: From Formation to Repayment



Note: This design is open by default. It can be executed by any organisation with the necessary capabilities and resolve.

Proof of Concept: The dUSD Model is Already Live

Decent Partners is demonstrating the model with **dUSD**, with 100% of its share **reinvested** to drive adoption.



dUSD: The regulated, branded stablecoin at the center of the economy.

Bloque: The dUSD "Neobank" providing corporate accounts, treasury/payroll tools, and VISA card issuance with instant fiat settlement.

This isn't a future plan; it's a **functioning system generating real-world economic activity today.**

Real Traction, Verifiable On-Chain

\$800,000+

dUSD processed to date.

\$10,000,000

projected in the next six months.

Onboarding Momentum

Showcasing diverse user adoption across enterprises, music/entertainment companies, NGOs, and hardware manufacturers.

The Proof is Public

Real-world dUSD usage can be verified through public Asset Hub transactions. This provides objective, auditable metrics for economic activity, not vanity KPIs.

Extrinsic	From	To	Amount
0x456def...	DGY1...343	C2A9...B4E	1,200 dUSD
0xabc123...	DGY1...343	B7R2...89F	5,000 dUSD
0x456def...	DGY1...343	C2A9...B4E	1,200 dUSD
0x789ghi...	E5F1...09D	A1B2...C3D	3,500 dUSD

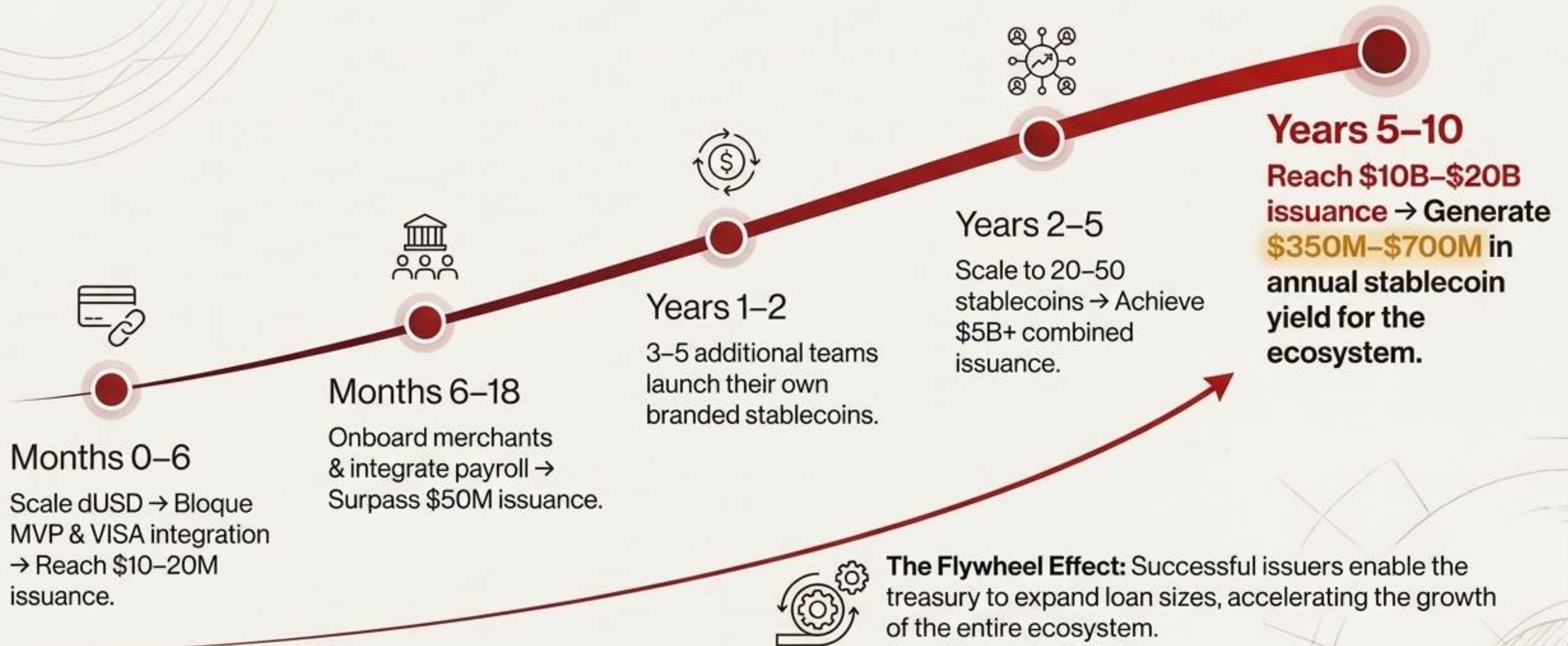
The First Milestone: Validating the Model at \$20M Issuance

Focus the first 12 months on scaling a single issuer (dUSD) past **\$20M issuance**. This milestone validates the model and unlocks replication by others.

Brale Yield-Sharing Tiers for Treasury		
Market Cap	Treasury-Impacting Share	Monthly Run-Rate to Treasury
< \$5M	0.4% effective	≤ \$16.7k
\$5M–\$20M	2.0% effective	\$16.7k – \$66.7k
≥ \$20M	3.6% effective	≥ \$60k

Key Insight: The model's benefit to the treasury grows exponentially with adoption. Surpassing **\$20M** is the key to unlocking **significant, stable income**.

The Roadmap to a Multi-Billion Dollar On-Chain Economy



The Vision: A Commercially Sustainable, Self-Financing Network

By incubating on-chain businesses with real cashflows, Kusama can fund its own innovation and growth indefinitely.



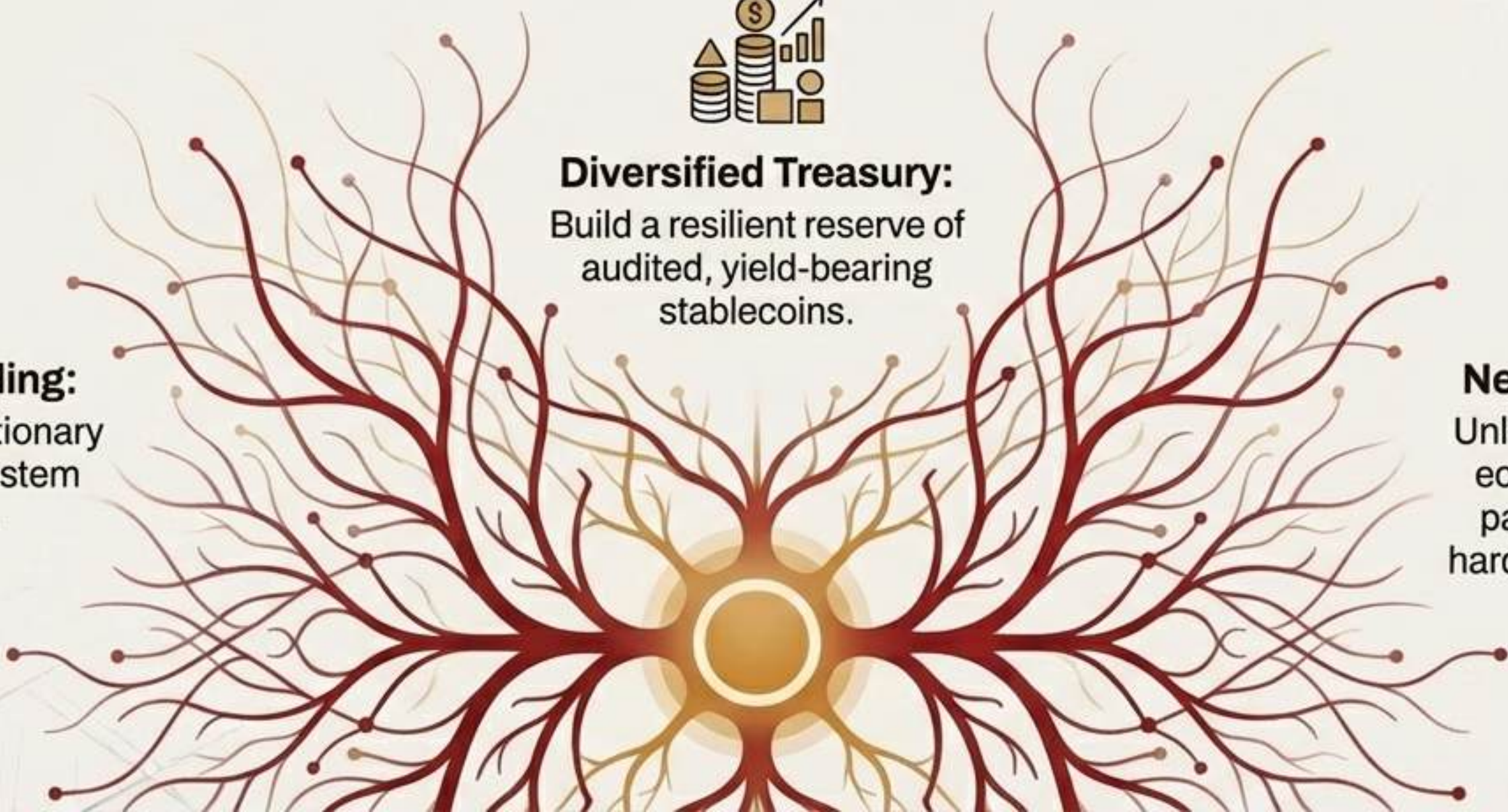
Perpetual Funding:
Generate non-inflationary revenue for ecosystem R&D forever.



Diversified Treasury:
Build a resilient reserve of audited, yield-bearing stablecoins.



New Economies:
Unlock decentralized economies across payments, music, hardware, media, and beyond.



Our Choice Defines Our Future



VOTE YES — The Path to Sustainability

- Transition to repayable KSM loans.
- Build a stablecoin-denominated reserve.
- Fund real on-chain businesses.
- Measure impact with auditable, objective metrics.
- Reduce reliance on inflation.
- Secure long-term validator and treasury sustainability.



VOTE NO — The Path of Dependency

- Continue with non-recoverable KSM grants.
- Rely on subjective, gameable metrics.
- Remain dependent on KSM token price.
- Maintain a non-diversified treasury.
- Lack a mechanism for stable, recurring income.