



# Tokenomics Document

## TimeCapsule Token (TCA)

Version 1.0 (April 2024)

### Introduction

The TimeCapsule Token (TCA) is designed to operate within a carefully structured economic model that supports both growth and sustainability. The following tokenomics outline the distribution, usage, and management strategies that ensure the long-term viability and value of TCA within its ecosystem.

### Total Supply and Distribution

- **Total Supply:** The total supply of TCA tokens is capped at 100 million tokens to prevent inflation and maintain token value.
- **Distribution Breakdown:**
  - **Public Sale:** 40% of the total supply (40 million TCA)
  - **Team and Founders:** 20% of the total supply (20 million TCA), subject to a 2-year vesting period with quarterly releases
  - **Advisors:** 5% of the total supply (5 million TCA), subject to a 1-year cliff
  - **Reserve Fund:** 10% of the total supply (10 million TCA) for future development and unforeseen challenges
  - **Marketing and Partnerships:** 15% of the total supply (15 million TCA)
  - **Community Rewards and Airdrops:** 10% of the total supply (10 million TCA)

### Token Utility

- **Functionality:** TCA tokens are used to:
  - **Lock Tokens:** Users lock TCA tokens in smart contracts to utilize the token locking and encrypted message features.
  - **Access Services:** Tokens can be used to pay for premium features, such as advanced locking capabilities or additional encryption options.
  - **Governance:** Token holders can participate in governance decisions, influencing features and future roadmap items.

### Economic Incentives

- **Staking Rewards:** Users staking their TCA tokens will receive rewards, incentivizing long-term holding and reducing market circulation.
- **Transaction Fees:** A small fee is charged on transactions within the network, used to fund network maintenance and reward token holders participating in the network's governance.

## Deflationary Mechanisms

- **Token Burning:** A portion of the tokens from transaction fees will be burned, ensuring a deflationary pressure that could increase token value over time.
- **Limited Supply Releases:** The gradual release of founder and advisor tokens will control the market supply and help prevent token price volatility.

## Security and Compliance

- Ensuring compliance with regulatory requirements is paramount. TCA adheres to all applicable laws and regulations in jurisdictions where it operates, adding to its legitimacy and stability.

## Roadmap and Future Plans

- **Q1 2025:** Expansion to additional blockchains to enhance interoperability.
- **Q2 2025:** Introduction of new features based on community voting and governance outcomes.
- **Q3 2025 and beyond:** Continuous improvement and scaling of network infrastructure to support a growing user base.

## Conclusion

The economic model of TimeCapsule Token is designed to ensure a balanced and sustainable ecosystem that supports both users and investors. Through strategic token distribution, utility, and deflationary tactics, TCA aims to maintain its value and utility within the evolving blockchain landscape.