

TheFatCat Whitepaper

A DeFi Trading-Tax Routing Protocol with Reserve Damping and Time-Weighted Seniority

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TheFatCat Protocol Core Contributors · Protocol Rules and Calculation Models
This document contains no representations of anticipated return on investment or yield commitments

Abstract

TheFatCat is an experimental DeFi revenue protocol on BNB Chain combining Meme culture with trading-tax routing. Actual tax revenue enters reserves, is allocated by meal and position weight, and settles in each position's selected diet asset.

The Belly reward treasury, position-based diet selection and a seniority ladder from Notch 1 to Notch 22 determine participation. Revenue, allocation and receipt are separate stages: a meal records shares, while purchases or fallback settlement make rewards claimable. Staked principal is held separately and is not used for reward purchases.

This document uses the following terms:

- **Belly**: the protocol's reward treasury, holding WBNB-denominated reward reserves.
- **Meal**: a reward accounting period; consecutive advances are at least eight hours apart.
- **Diet**: the reward asset a position selects.
- **FEED**: a public maintenance call anyone can submit to convert revenue, advance meals and purchase rewards.

1 Token and Revenue Routing

FATCAT has a total supply of 1,000,000,000. It launches on Flap paired with QQQB and migrates to PancakeSwap V2 after graduation. Eligible FATCAT trades carry a 4% trading tax. After Flap deducts its platform fee, QQQB tax revenue is converted to WBNB through a dual-route design, with price checks to reduce the risk of unfavorable execution. Post-graduation liquidation is batched; each trade does not necessarily create an immediate Belly inflow.

The trading tax expires 100 years after graduation, a setting that cannot be changed. For the first 365 days after graduation, trades through any DEX pool are taxed; after that, only trades through the primary pool are taxed.

Flap's platform fee is included in the 4% tax and takes 5% of collected tax. When a FEED conversion succeeds and the participant is eligible, a Feeder reward of one thirty-eighth of the gross WBNB output, rounded down, is credited first. The remaining net revenue splits 85% to Belly and 15% for development, operations and marketing. The project share is rounded down, and every remainder goes to Belly.

Shares of trade value:

Item	Share	Calculation Basis
Flap platform fee	0.2%	Eligible FATCAT trade value
Feeder reward	0.1% nominal target	Trade value represented by this conversion

Shares of net revenue:

Destination	Share	Calculation Basis
Belly reward treasury	85%	WBNB net revenue after any Feeder reward
Development, operations and marketing	15%	The same net revenue

The on-chain Feeder reward uses actual conversion output: one thirty-eighth is about 2.63158% of output. Only with standard fees, unchanged prices and no conversion costs does it nominally equal 0.1% of the corresponding trade value ($4\% \times 95\% \div 38$).

For an illustrative trade value of 10,000 units, the 400 tax units split into Flap 20, project funds 57 and Belly 323 without a Feeder reward, or Flap 20, Feeder 10, project funds 55.5 and Belly 314.5 with one. Both total 400. The example does not promise a particular token receipt.



Figure 1: From Trading Tax to Position Rewards

2 Belly Reserves and Allocation Cadence

Belly retains revenue before allocating it meal by meal. A new budget excludes funds reserved for earlier allocations awaiting settlement, preventing the same funds from being allocated twice. Participation eligibility, asset probation limits and downward rounding can also constrain a meal's allocation.

Advances are at least eight hours apart. An on-time eight-hour meal in the reward period nominally allocates at most 1/21, about 4.76%, of unreserved funds. Delayed advancement counts at most 16 hours of eligible reward time. Each successful advance closes one meal and starts the next at the current time; it does not recreate missed meals.

With no new inflow, regular eight-hour advances, complete allocation execution and no rounding effects, let U_0 be the starting unreserved funds and U_k the unreserved funds after k eligible meals:

$$U_k = U_0 \cdot \left(\frac{20}{21}\right)^k$$

The model's half-life is about 4.736 days, with about 1.24% remaining after 30 days. Constant inflow every eight hours gives an ideal equilibrium balance of 21 times the per-meal inflow. Revenue variation, maintenance delays, pending settlement and limits change actual results. The model is not a payment deadline or a yield forecast.

Actual Belly outflow has a separate eight-hour allowance. Initially it is 16/168, about 9.5238%, of the total WBNB balance when the window opens, including reserved funds. New deposits do not raise the current allowance. Allocation and outflow limits apply separately. Claims of settled rewards do not consume this allowance, and principal redemption does not depend on reward outflow.

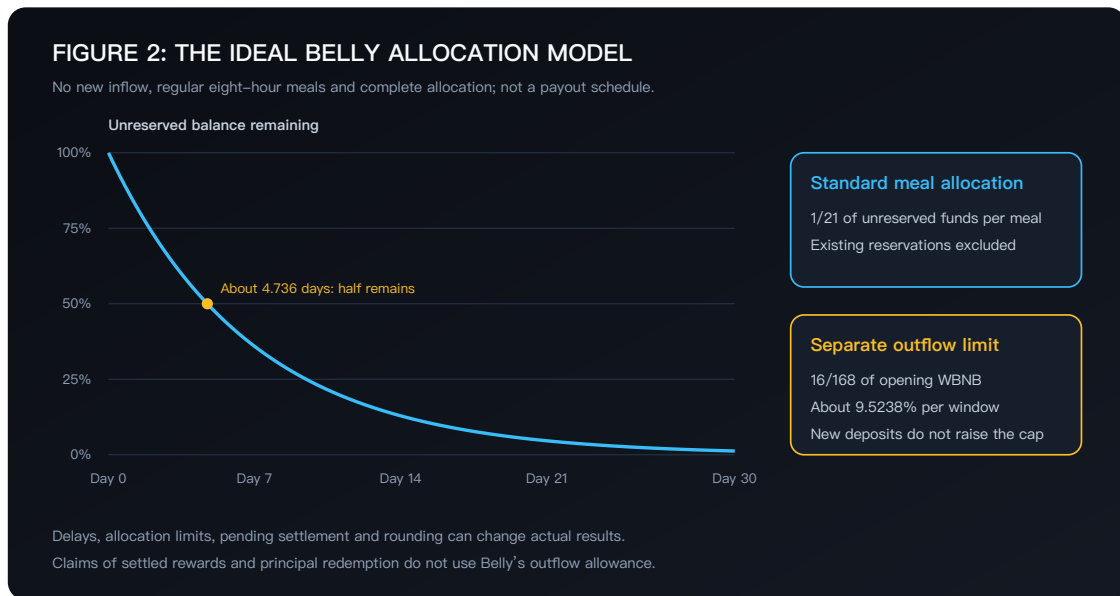


Figure 2: The Ideal Belly Allocation Model

3 Independent Positions and Seniority

An ordinary position requires at least 100,000 FATCAT (0.01% of total supply) in whole tokens. Each stake creates a separate position with its own principal, diet and seniority. Additional funds require a new position; they cannot merge into an old one and inherit its seniority.

A new position does not participate in the meal already underway. It activates at Notch 1 when the next meal begins, then gains one notch per completed active meal up to 22. At the standard eight-hour cadence, reaching Notch 22 takes 21 completed active meals, about seven days. Maintenance delays can extend the climb.

Position weight = staked principal × current seniority multiplier × incentive multiplier of the position's current diet asset. On the same diet and at equal principal, Notch 22 has 22 times the weight of Notch 1. At equal seniority, ten times the principal gives ten times the weight.

When no probation cap or similar limit applies, a position's share of a meal = the meal's allocation budget × position weight ÷ total eligible weight. New staking enlarges the denominator and can dilute existing positions. A 22× weight does not promise a fixed 22× return.

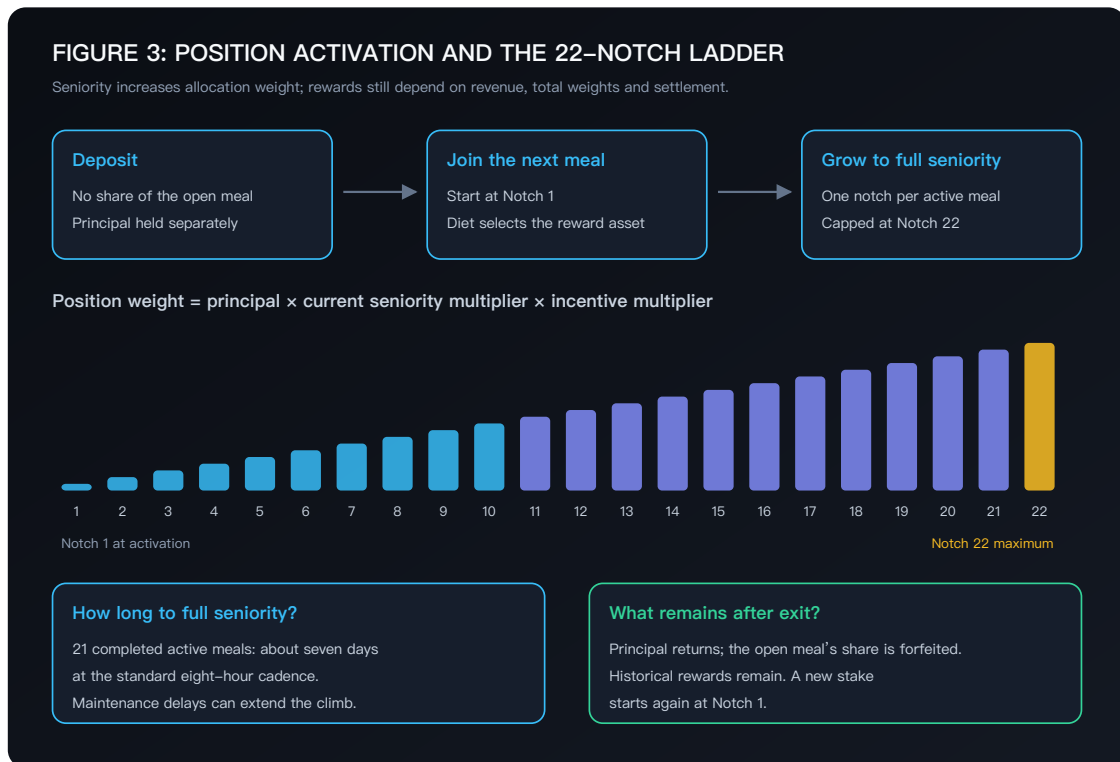


Figure 3: Position Activation and the 22 Notch Ladder

4 Diet Selection and Reward Claims

Each position independently chooses a reward asset from the enabled menu. The initial menu is BNB/WBNB plus five bStocks tokens: QQQB, SPCXB, NVDAB, SPYB and GOOGLB, tracking the Nasdaq-100, SpaceX, NVIDIA, the S&P 500 and Alphabet respectively. QQQB is also the asset FATCAT launches paired with. FATCAT and future assets are available only when actually enabled.

Each asset option has an incentive multiplier, initially managed by the project team, within 1.0×–2.0×. Once a change is announced and submitted, it takes effect from the next meal after a three-day governance delay.

An asset listing application channel will open in the future. Proposed assets undergo team evaluation; after approval, the applicant must permanently burn an agreed amount of FATCAT as the cost of adding the asset to the menu. Requirements and process will be announced when the channel opens.

Diet changes preserve seniority and take effect next meal; the currently open meal retains the previous selection. Historical settled rewards under the old diet remain claimable after a switch or removal from the active menu.

BNB is the default and fallback asset, accounted on-chain as WBNB and unwrapped to native BNB when claimed. Other assets are purchased together; received quantities depend on execution price and eligible batch shares. Users need no separate market swap for each stake or claim, but batch execution still carries price, liquidity and MEV risks.

Settled rewards have no protocol expiry; long unclaimed histories may require smaller-range claims. If the website is unavailable, follow the user documentation's emergency instructions to redeem principal or claim settled rewards directly.

5 Settlement Order and WBNB Fallback

Each purchase or fallback handles an ordinary asset's complete pending share from one meal; FATCAT can settle in parts, and settled portions can be claimed first. The earliest unsettled meal has priority; assets within it can finish separately, while later meals wait. A blocked asset can delay other diets' later meals. Settled reward claims and principal redemption do not wait for this queue.

Purchases use a time-weighted market price (TWAP), with an initial 3% deviation boundary for the initial tokenized equities; FATCAT has separate procurement conditions. Insufficient observations, low liquidity or output below the floor may delay or prevent execution. These protections do not remove every market risk.

Eligible pending shares can settle in WBNB when an asset is disabled or parked, the permitted waiting time is exceeded (initially one day), or an ordinary asset's complete meal allocation exceeds the purchase ceiling. Parking preserves weights and future allocations while waiving the fallback age wait. Automatic maintenance prefers fallback, while ordinary purchases may still complete.

Eligibility is not payment. Settlement still needs a successful transaction, correct meal order and sufficient allowance while Belly outflows are available. Ordinary assets also require a complete meal allocation. One day is not an automatic payment deadline or guaranteed maximum wait. Fallback does not compensate for price losses on tokens already acquired, and recovery does not reverse completed settlements.

6 FEED and Public Maintenance

Anyone can participate through the Belly page, without a participant whitelist. FEED attempts to convert protocol QQQB revenue, advance one due meal and check an assigned batch of reward purchases. Defaults are 16 menu slots and 4 checks per FEED, with limits of 32 and 8.

Participants pay gas, supply no personal QQQB and cannot redirect the proceeds. The initial conversion range is 0.1–50 QQQB per transaction, subject to prices, liquidity and operating state. At successful conversion, a participating wallet must hold at least 10,000 FATCAT or own a position with remaining principal to earn a Feeder reward.

Feeder rewards are recorded as claimable WBNB separately from staking rewards. Claiming requires gas but does not recheck eligibility. Later advancement or purchase failure does not cancel a successful conversion's reward. Standalone conversion, advancement, purchases and scans without conversion earn no such reward. Scanning also does not guarantee that every asset is purchased.

Ordinary stakers need not run maintenance services. Public or official maintenance still requires successful transactions and cannot guarantee perpetual or immediate progress.

7 Opening Rules and Principal Exit

Staking is planned to open immediately after token graduation through a one-time transaction by the project; the contract does not open it automatically. The first seven days after opening are a single protocol-wide accumulation period; a new personal position does not restart it. Seniority and revenue successfully delivered to Belly can accumulate, but no new rewards are allocated. After the accumulation period, successful advancement and valid allocation conditions are still required to create a budget.

Belly reward outflow also requires an initial authorization with its own seven-day authorization delay. It runs independently of the accumulation period; the two need not end together.

Ordinary exit returns all staked principal without an exit fee, lockup penalty or prior maintenance requirement. Exiting forfeits the unsettled share of the currently open meal and ends the position's future participation; historical reward entitlements remain recorded. A new stake starts at Notch 1. Chain unavailability, abnormal token transfers or execution failure can still prevent completion.

8 Governance Changes and Emergency Measures

Listing new assets, loosening asset limits, and changing incentive multipliers or menu capacity settings take effect only after a three-day governance delay. Protective measures take effect immediately: disabling or parking an asset, tightening limits, cancelling a change that has not taken effect, and returning an incentive multiplier to $1.0\times$ from the next meal.

Emergency pauses use three independent switches: upstream QQQB conversion, Belly reward outflow and new staking positions. They do not stop meal accounting or token trading, and ordinary principal redemption and settled reward claims remain available during a pause. Monitoring cannot guarantee detection of every issue or immediate response. Recovery may take time and does not reverse completed transactions.

9 Custody Boundaries and Operating Risks

Staked principal, Belly reserves and settled rewards are recorded separately. Core principal and reward contracts have no administrative sweep or rescue withdrawal entry points. A protocol pause does not add a gate to ordinary principal redemption; settled rewards remain payable according to entitlements.

Upstream tax and delegated-operation services are external dependencies. The upstream revenue vault can be upgraded until permanently locked, and an authorized Flap role can transfer some tax proceeds in an emergency. These are not users' staked

principal. Upgrades can also change delegated staking, redemption, diet changes and claims, so the dependency extends beyond revenue processing. Ordinary redemption and claims still pay the position owner; new staking requires sufficient balance and valid authorization.

Third-party assets such as bStocks are not direct shares in the underlying companies. They carry issuer, custody, redemption, transfer and regulatory risks. Newly enabled non-exempt assets other than FATCAT have a 5% per-meal allocation cap during a seven-day probation, rising to 100% afterward. Initial menu assets are exempt on first enable; re-enabling follows ordinary rules. The 5% limit is not a permanent exposure cap.

10 Time-Seniority Certificates

Time-Seniority Certificates are planned for a future release as ERC-721 NFTs. Users with staking positions will be able to burn FATCAT to mint them. The relevant interfaces have been reserved; further details will be announced later.

11 Testing and Conditions of Use

Before launch, the protocol was checked with internal regression and stateful invariant tests of implementation behavior. They are not independent audits or formal proofs covering every execution path.

Rewards come from actual revenue, with no fixed yield promised. Downward rounding can leave small residual balances; multi-stage calculations and smaller-range claims can affect receipts in the smallest units. Test conclusions depend on the inspected version, execution conditions and supported token behavior. They do not establish that every risk has been removed.

Before interacting, verify the network, addresses and explorer source against a separately published official deployment record. This document supplies no production addresses and is not investment, legal or tax advice.

12 Official Access and Security Reporting

- Main website: <https://thefatcat.fun>
- Staking system: <https://thefatcat.fun/belly>
- User documentation: <https://thefatcatofficial.github.io/TheFatCat-docs/>
- X: <https://x.com/TheFatCatFi>
- Public email: public@thefatcat.fun
- Report security issues through the GitHub private reporting channel linked in the documentation, avoiding public disclosure of sensitive details.