

# APR 21st 2025 - Report: Creating a BNB Liquidity Pool to Cover COYN Transaction Fees and Expanding Fee Coverage for Other Tokens on BNB Chain

## Objective

This report outlines the development of a **BNB liquidity pool** dedicated to covering transaction (gas) fees for COYN transactions on the Binance Smart Chain (BSC). The initiative will later expand to support fee coverage for other BEP-20 tokens, offering a network-wide service that abstracts gas costs for users and simplifies on-chain interactions.

## Phase 1: Establishing the BNB Liquidity Pool for COYN

### 1. Purpose

The primary goal is to build a **BNB-backed liquidity pool** that autonomously funds transaction fees for users interacting with COYN. This removes a major friction point—BNB requirement for gas fees—enabling smoother user adoption and DApp integration.

### 2. Mechanism

- **Smart Contract Layer:**
  - A smart contract will hold BNB reserves and detect COYN transactions initiated by users.
  - Upon detection, it checks if the user has enough COYN and if gas coverage is available.
  - The contract pays the gas fee using its internal BNB pool, allowing the transaction to execute without the user needing BNB.
- **Gas Abstraction Protocol:**
  - Custom gas-relaying logic will be used so that users sign COYN transactions while the relayer (or gas wallet) submits it with BNB from the pool.
- **Refueling System:**

- The smart contract periodically requests refills (manually or automatically) from COYN treasury funds, liquidity mining rewards, or staking protocols to replenish BNB levels.

### **3. Funding Sources**

- A percentage of COYN from:
  - Liquidity mining reward allocations
  - Platform fees
  - Transaction fees
- These COYN tokens will be swapped to BNB via PancakeSwap and deposited into the gas pool.

### **4. User Experience**

- Users pay fees in COYN or interact fee-free.
- A small invisible portion of each COYN transfer may contribute to gas coverage automatically (optional mechanism).

## **Phase 2: Expanding Fee Coverage to Other BEP-20 Tokens**

### **1. Multi-Token Gas Pool Architecture**

- Design a modular smart contract that can:
  - Map different tokens to individual gas coverage pools (e.g., USDT → Pool A, CAKE → Pool B).
  - Detect the token used in a transaction and route BNB fee coverage from the appropriate pool.
- **Unified Interface:**
  - A unified dApp or API that enables developers to plug into the gas abstraction system.

- Developers simply call the API or contract, and their users experience fee-less transactions.

## 2. Fee Pool Replenishment Models

- Community Contributions: Allow projects to contribute BNB to cover fees for their token.
- Swap Logic: Implement automatic conversion of small fractions of user-transacted tokens into BNB for fee funding.
- Staking Revenue: Redirect a portion of staking yield from participating projects to the BNB fee coverage pool.

## Phase 3: Governance and Sustainability

### 1. DAO-Based Fee Governance

- Establish a **Fee Coverage DAO** to:
  - Decide fee coverage limits per user or per token.
  - Allocate COYN treasury funds for maintaining BNB pool balances.
  - Vote on expansion to new tokens or networks.

### 2. Analytics & Monitoring

- Real-time dashboard for:
  - Pool balances
  - Usage metrics (BNB spent per token)
  - Refill status and upcoming limits

## Benefits

- **Frictionless Adoption:** Users can interact with COYN and other tokens without needing BNB in their wallets.

- **Enhanced DApp UX:** Developers can build on COYN or other BEP-20 tokens without worrying about user-side gas logistics.
- **Network Utility Growth:** COYN gains utility not only as a token, but as a gateway to fee-free Web3 on BSC.
- **Cross-Token Service:** Opens the door for a network-wide infrastructure that simplifies DeFi and Web3 onboarding.

## Conclusion

By establishing a smart BNB liquidity pool to cover COYN gas fees and later expanding it to support other BEP-20 tokens, Coyndeful can lead the way in removing one of the most persistent frictions in DeFi adoption—transaction fee management. This initiative will position COYN as a core utility layer for user-friendly decentralized applications on the BNB Chain and offer a novel, scalable infrastructure model for the broader crypto ecosystem.

“COYN Transaction Fee Coverage - Send it. We've Got You Covered.”