

FRANC

Chocolate Stablecoin



What is FRANC?

FRANC is an **elastic stablecoin**, issued by mambo.li, the first from the mambo stablecoin family, so called mStables. Elastic means the quantity of coins will be adapted to the demand. Coins can be minted, if demand drives the price above the pegged price, and coins can be taken out of circulation or burnt if the price sinks below the pegged price.

The name FRANC

Franc from Latin means: free, free man, in contrast to slave. The FRANC stablecoin is a cryptocurrency for freedom & liberty loving and libertarian minded people in a decentralized world.

Onto what is the FRANC pegged?

The FRANC is **not** pegged on the Swiss Frank, CHF, as the token name could assume, but FRANC, Chocolate Stablecoin is pegged on the price of a well known Swiss chocolate, as its name indicates. It's pegged on a retail price index.

It is exactly pegged on the price of 45,4545 gram of a 100g Toblerone taken from the price table of this retail web shop: https://www.coop.ch/en/toblerone/c/BRAND_toblerone

One piece of 100g Toblerone costs at the time the FRANC is deployed 2.20 CHF, June 2021.

This makes 45,4545 g Toblerone exactly 1.- CHF.

That means, in the beginning, it looks, like the FRANC will be pegged on the CHF. But it is not. Over time the price of one piece of 100g chocolate may go up or down (rather up) and so will the price of FRANC change over time in relation to the CHF.

Important: Whether the Toblerone Company nor Coop are in any way involved in this stablecoin. They even do not know (yet) about this project. We just take the index price of this product from an online discount shop in Switzerland, accessible to everybody. Everybody can control and verify the current peg price. It is a good representative chocolate for Swiss chocolate, even if there are others too. We may consider to replace or add other chocolates or grocery shops for the price peg. Such a change would be done smoothly. The only connection is, that we like this chocolate. It's made in the capital of Switzerland in Bern, and one of our team member is from Bern. There is a street and building named after the founding company Tobler in the center of Bern.

Why it's pegged on a retail price index of a physical asset, in this case chocolate?

Read the stablecoin philosophy on <https://mambo.li/stablecoinphilosophy>

(This is basic part of each mStable whitepaper).

In short: To peg the mStables on physical assets and retail market prices helps fight against creeping inflation (devaluation of fiat money). Since inflation periods normally last for decades, and deflation only for short time, it is most of the time a good alternative to be into physical assets pegged mStables instead of fiat stablecoins or fiat money.

To be pegged on a retail price of good known daily life asset makes mStables more practical compared to gold, silver or platinum stablecoins. And retail prices are much more stable and less volatile compared to raw commodities.

MStablecoins are independent of fiat money policies or jurisdiction. They are not money. They can be considered as digital assets. Franc is fungible, tokenized, digitized chocolate.

Who may consider to buy FRANC?

The price of high quality Swiss chocolate represents: High food production technology, high agriculture quality (milk, creme), cacao world trade price, high production costs, high location costs, high average salary. Facing a insane self destruction great reset world economy.

The price of non essential consumer goods stands for higher than existential living standard.

That means, to be invested in FRANC should help preserve the value of the current living standard costs, protecting against inflation.

A part of possible profits made by the stabilization mechanism will be distributed to token hodlers, if it will be enough collateralized. (Minimum 150% collateralization needed to begin with distributing profits as interest (rewards) in Franc.

Use cases:

Franc should be an ideal place to park values in times of crypto crashes and major corrections.

Hopefully the FRANC mStable will be accepted by more and more online and offline shops as payment currency. It's not money, but because it is pegged on a retail price, it's behaviour and reliability of stability is similar to fiat. Because of this, such a kind of stablecoins are an ideal Barter medium and payment alternative.

We have a list of shops on mambo.li which accept mStable coins.

Shops which accepts Franc as payment, can claim \$mambo as reward. This is an good incentive to accept franc as cryptocurrency payment.

The most important use case is, that it can be used for payments for daily life payments, since it has a stabilized price. If the pegged price can be maintained, it will be a good mean for payments, it's not so volatile like unpegged crypto currencies and has similar stability like fiat money. To be used as payment, it must be recognized by more an more shops and services.

Stabilization mechanism – How the FRANC will be stabilized to the pegged price?

Read the Token philosophy on <https://mambo.li/stablecoinphilosophy>

In short:

1. One or two trader or stabilization accounts will trade the price back to the pegged price if it diverges more than 1-5% of the pegged goal. Our intention is, that it can be done by trading robots and / or smart contracts. But in the beginning it's done manually with irregular latency, giving other arbitrage traders or robots the chance to do it. Possible profits made with such trades will be used for building up collateral, expanding liquidity pools, for the mambo team and for token hodlers and to build up collateral for other mStablecoins.

2. As a second important measure to stabilize the franc to the pegged price is our newly developed **MAFRE, Mambo Automated Fixed Rate Exchange, a token swap specially made for stablecoin to stablecoin swaps** at a fixed rate, that will be adjusted by mambo at least daily. It will run on mambo.li or a subdomain of like mafre.mambo.li We consider this fixed rate swap as a gamechanger in the cryptomarket. They will run in parallel with the AMM (Zilswap, pancakeswap, etc..) and allow to adjust the price to the peg, giving everybody who likes to do it the occasion for arbitrage trades and giving everybody who wants to buy or sell the Stablecoin the choice of two Swaps, and he can swap where the price currently is better.

3. Seigniorage: Minting and Burning Tokens: If demand expands, more tokens are minted or put into circulation from the reserve account. If demand shrink, tokens will be bought back and taken out of circulation and partially burnt, if appropriate.

NO Burning Enforcement: It will be impossible by smart contract to burn out of other accounts than the burners. This makes law enforcement burn by corrupt totalitarian regimes as we currently face them, impossible. **All mStablecoins fulfill the Mambo Token Security Standard for Secure Minting and Burning:** <https://mambo.li/mtss>

4. As soon as we can raise enough funds from pre sales, we will open a liquidity pool on zilswap. Such AMM (automatic market maker) liquidity pools are not ideal for stablecoins. In case the zilswap liquidity pool price or any other future liquidity pool price should divert far from the pegged price, everybody can buy it from the private exchange and even make some profitable arbitrage trades, and helps by this to stabilize the pegged price. On your own risk, since you must always calculate price slippage and the possibility that someone else is faster than you.

Collateralization:

As collateral will be taken mainly ZIL and gZIL, XSGD, PILLAR and ZWAP. In the beginning, the xsgd part will be bigger, until there is some liquidity collected. For LP on Zilswap, we need to change half of our contribution into ZIL. For Liquidity on our MAFRE Swap we need xsgd.

But xsgd has an authoritarian burn out of any account possibility in the code and we consider this as potential risk. We consider although to take some CARB and STREAM as collateral, and up to 3% \$mambo, other tokens and new stablecoins not excluded.

A part may be changed into cryptocurrencies outside of zilliqa, as diversification, like Dai, BNB, BUSD, Monero and others.

We are convinced that a good currency must not be fully and exactly collateralized to be trustworthy. But we aim to collateralize it to about 150% to 200% over time. This will help to avoid big or long term fluctuations.

Profits:

Possible profits made with the stabilization mechanism are considered to be available profits, if collateral value is between 150-200% of circulating franc. Depending on general crypto market conditions and other factors, mambo team will decide when and how to distribute the profits. About 60% to distribute to franc stakers or LP providers. About 10% for mambo team and About 30% to finance new mambo projects and mStablecoin launches and further development. If the market situation brings the collateral value near 150% or below, we will immediately stop distributing rewards.

Risks:

Collateral loose value over long term. Short term likely to happen. Long term very unlikely.

Crypto market crashes could short time lead to a lack of enough collateral value. This may specially happen in the beginning phase where collateral must be build up yet. This can cause franc to fall below pegged price until collateral growth in value.

It is not fully decentralized. Human error, abuse, inability to act. **Inability to act in time** may not be underestimated as a risk. We are still a very small team an the goal is to become replaceable in future. But not in the beginning. One of the goal and vision of the Mambo Team is, to make those stablecoins as decentralized as possible. But in the beginning, many things are manually made by our team. One of the most difficult things to decentralize is the api to the peg price, the oracle. If somebody manipulates the api to the pegged price (the oracle) in a case where the rest is controlled fully automatic by smart contracts and robots, the whole thing would go nuts. In this case it is more trustworthy to trust in a team with a proof of history and proof of actions. Oracles do not exclude the possibility of bad manipulation completely in most cases.

Risk of bug in the whole concept of mambo. Watching what just happened in spring 2021 to some new "algorithmic pegged stablecoins", we rethought once more the whole concept.

Conclusions: To build and defend collateral is main rule. Better to allow the price for short term to fall below the pegged price, than holding a price peg with thin air.

We will not make unsustainable trades to support the price! We will only buy back franc on MAFRE at a price that is guaranteed covered by collateral.

Traders of FRANC which did not read our concept may suffer loss because of buying or selling to a unsustainable price. We will aggressively sell down FRANC, if it is spiking above peg.

The Future of this new kind of Stablecoins

Since our idea and vision is very easy to copy, the best thing that could happen is to see many other groups of people realizing their stablecoin projects with the easy stabilization mechanism of mambo and the MAFRE, Mambo Automated Fixed Rate Exchange, Swap for Stablecoins. This would be a kind of decentralization by diversity of private offers and issuers. A free decentralized market allows everybody to issue his (crypto)currency, and the most trustworthy will survive and be established finally and be used for daily trustworthy stable payments.

Tokenomy of FRANC, Chocolate Stablecoin

Initial supply: 1'000'000 Tokens (supply is elastic)
decimals 6

Token Contract address: zil1z4hxwnqk9gu6tamcw4umxss9wjpmrkzdh4n85

Initial Token Distribution:

Who	Percentage	Amount tokens	Address:
Contract owner	0.5%	5000	zil1nt00zxls992zakdq9fwcqghafm4lqhxjf8rndk
Burner / Minter	0%	0	zil1lrltfxlmzky9dl3m3k35wdyamuz5ekmz7cm300
Distributor, Collateral, Reserve	42.6% elastic	426000	zil1jwupzktvdqpd90y7mrh68hpgxr9w8hlve8zk4l
Liquidity Pool taken from reserve presales account	0-25% Growing	Aimed: 250000	zilswap.io
Presales manually payments, exchange	15% elastic	15000 elastic	zil1q2pkpjydz9z2dtccjtdsfja54qkr538hsrr7xy
MAFRE Mambo SWAP Mambo Automated Fixed Rates Exchange	elastic, funded from mafre manager	elastic following demand	https://Mafre-Swap.mambo.li
Stabilization Trader Account, elastic Mafre management, funded by Distributor	20% elastic	200000	zil1nn0w0wyezp2l09eksyzekzv8t0yuc9jrwc37qn
Strategic Partner / Sponsor frozen for 15 month	5.9%	59000	zil1ge5p5nf7jurqvqupuqn4lls99jttqusq5qpj39
Mambo Team, Dev.	8%	80000	zil1ccc4jk946szpl7qt2pnr5qa50tjyqsrge0f89
Security Reserve	5%	50000	zil175g5v8q64q55yz28e98u8jlc77g0vxsyak2jr
Maintenance	3%	30000	zil1f0gpn358eudw0l7ehr3cefe395hk97s2up7pk5

This is only the initial Token amount and distribution. The principle of mStablecoins is an elastic quantity according to demand. Additional tokens may be minted if needed. Too much tokens may be taken out of circulation and burned, if the demand shrinks, to maintain the price.

Important to know is, that only the tokens in the liquidity pool and sold on Mambo Exchange or pre sale, tokens sold from stabilization account, tokens from mambo dev. team and strategic partner (after release from frozen state) can be counted to be in circulation. Only those must be collateralized. Tokens remaining in Distributors account, Mambo Exchange or Stabilization Account are not to be considered in circulation. They are in reserve. Tokens in circulation are collateralized. By selling tokens from reserve, the amount of collateral growth.