Liquidity Generation Event

What is an LGE?

The acronym LGE stands for Liquidity Generation Event. It is a fundamental stage in the launch of a project within the SmartDeFi platform, whose main objective is to generate liquidity safely and without intermediaries.

Unlike other models where participants receive tokens directly after contributing BNB (or another asset), in SmartDeFi's LGE you don't buy tokens, you acquire a stake in the liquidity pool.

During LGE:

- Investors send BNB to the LGE smart contract.
- Participants do not receive tokens, as they are actually buying a fraction of the coin's liquidity pool.
- At the end of the period, these funds are combined to create the liquidity pool.
- The tokens equivalent to the amount claimed in the LGE rounds will automatically be sent, via the smart contract, to a dead wallet, i.e. they will be burned. This process contributes to the scarcity of the asset, favoring its appreciation on the market. Suppose the claim period has arrived (in our contract, this process releases 10% every 10 days), when you claim your 10%, the smart contract will automatically burn the amount of tokens equivalent to the amount redeemed. For example: if you claim 10% and the amount corresponds to 30 dollars, then 30 dollars in BHSX tokens will be sent to the dead wallet and thus withdrawn from circulation.

What about the launch of the coin?

Progressive release of the claim on BNB from the liquidity pool. With a view to protecting the project and investors against major market swings shortly after launch, a gradual withdrawal rule has been implemented:

- Investors will be able to redeem 10% of their stake in the liquidity pool every 10 days.
- The first 10% withdrawal will be available after the coin's launch.
- Every subsequent 10 days, new rounds will be released, reaching a total of 10/10 claim rounds.
- Withdrawal will not be compulsory. The investor will be able to choose whether or not to withdraw the available percentage, or to continue holding the tokens, believing in the project's further appreciation.
- During the 10 rounds of the LGE, your participation in the liquidity pool will continue to generate valuations in relation to the fees collected from buying and selling, because as the liquidity pool grows, your balance will follow suit.
- Investors who enter the LGE, as a form of bonus, by claiming their participation in the liquidity pool, which will take place every 10 days, will not pay contractual fees, only the blockchain network fee, and will receive their participation (10%) in BNB.
- Those who decide to buy the coin at launch, after the LGE has been completed, will be able to buy and sell their tokens at any time, with no progressive unlocking.

Gains from providing liquidity:

Investors who decide to maintain their participation in the liquidity pool stand to gain even more. This is because, as well as following the growth in the coin's liquidity - which already represents a proportional appreciation of each investor's balance - they also receive 0.3% of each transaction made on PancakeSwap, as a reward for being liquidity providers. The longer they remain without redeeming their share, the higher this return tends to be, making it an advantageous strategy for those who believe in the project in the long term and want to maximize the passive gains generated by the currency's own trading volume.

Conclusion:

All the measures taken help to maintain stable liquidity, reduce the risk of massive dumps and promote a healthier and more sustainable growth of the token on the market. In addition, 100% of the tokens will be made available in the pre-sale, meaning that developers will not have tokens in their possession, showing their commitment and seriousness towards the project.