

OnChain Music

Web3 Music Distribution, Sync Licensing, and Digital Asset Management for Musicians

Ben Kopec

www.OnChainMusic.com

Last Update: March 10th, 2023*

Abstract

Blockchain music platforms have created entirely new royalty streams, but most people don't know what digital assets are. Therefore, large numbers of musicians are not collecting as many of these royalties as they could be.

Pursuing and keeping track of multiple blockchain music aggregators and royalty collections can present a lot of challenges. Technical hurdles can create frustration for the user, and tasks such as metadata management and digital asset (including cryptocurrency) management can be very time-consuming and overwhelming.

OnChain Music provides products and services to help bridge the gap between musicians and their blockchain royalties. By facing these obstacles head-on, we remove the burden of musicians dealing with technological barriers, management of content distribution and digital assets, and collection and disbursement of royalties. We oversee and manage these aspects so artists and musicians can continue to focus on their creative passions.

*To the best of our ability and knowledge, this white paper is accurate and up-to-date.

However, the contents of this white paper may change. Visit <https://www.OnChainMusic/whitepaper.php> for the most updated version. We may also be reached for comments and feedback at: whitepaper@onchainmusic.com

Contents

- Contents..... 2**
- 1 Introduction..... 3**
 - 1.1 Our Values 3
 - 1.2 Problems..... 3
 - 1.3 Solutions 3
- 2 Token Utility..... 4**
 - 2.1 Staking Rewards..... 4
 - 2.2 Higher Percentage Payout for Artists..... 4
 - 2.3 Governance..... 4
 - 2.3.1 Governance Veto 5
- 3 Tokenomics..... 5**
 - 3.1 Total Supply 5
 - 3.2 Distribution..... 5
 - 3.3 Vesting Plan for the Team 5
- 4 Contract Functionality 6**
 - 4.1 Burn and Mint 6
 - 4.2 Snapshot 6
 - 4.3 Pause and Unpause 6
- 5 Legal Disclaimer and Risks 6**
- 6 Conclusion 6**
- References..... 6**

1 Introduction

1.1 Our Values

At our core, we believe in helping musicians generate new streams of revenue and maximizing royalties for our artists, bands, composers, singer-songwriters, DJs, and musicians of all types. We operate with the idea that we should not make any money unless our artists are making money. Therefore, our business is designed around a revenue sharing model. After collecting money from our clients, such as music aggregators, we retain a small fee and remit the rest to the musicians. The money can be paid out in either fiat or crypto.

OnChain Music believes in transparency. Therefore, we share all available metrics with musicians. When possible, we connect to blockchains and pull in relevant data so musicians see what we see.

1.2 Problems

There is a term in the music industry called “The Black Box.” Simply put, this is a collection of money that cannot be paid to rights holders because either no one knows who those rights holders are or they cannot be found in any database of a Performing Rights Organization (PRO). As of 2017, \$2.5 billion were not paid to rights holders because the music owners could not be determined [\[1\]](#). This is a significant amount of money on which artists and their teams miss out.

A lack of time and technical hurdles can impede musicians at any stage of their career. Musicians shouldn’t have to choose between spending time creating and managing their content.

1.3 Solutions

OnChain Music helps musicians reach a wider audience and generate money from new royalty streams by utilizing emerging technologies, such as blockchain. Our goal is to increase the number of royalties paid to musicians by distributing music to blockchain-related music platforms. This will decrease the overall amount of unpaid royalties from traditional distribution channels. The revenue from blockchain music platforms will offset the amount of money being lost in The Black Box.

We can also help create new streams of royalties for the musicians by working with artists to create unique digital collectible items, such as NFTs (non-fungible tokens). NFTs are distinctive digital assets that represent digital ownership and can be traded on the blockchain, similar to how cryptocurrency is traded on the blockchain.

The [Search and License](#) platform is subscription based and allows artists to license their music for traditional mediums as well as the metaverse. Revenue owed to the artists will be paid out in either fiat or crypto.

In addition to distributing music to decentralized platforms, OnChain Music also manages digital assets for artists and musicians. Artists no longer have to struggle with the learning curve that comes with using new technology in order to make money from their creative passions. They are free to continue focusing on their artistic endeavors while we oversee the collection, management, and payment of digital assets. Our services minimize the friction between the artists and emerging technologies.

2 Token Utility

The OnChain Music token (MUSIC) inherently has no value. This token only exists as a utility token that provides special privileges to token holders. Some of those privileges include, but are not limited to, the following:

2.1 Staking Rewards

We plan to introduce staking contracts that will allow people to stake \$MUSIC tokens. These tokens will be staked as collateral with the ability to earn more \$MUSIC tokens, vote on propositions, and grant access to exclusive opportunities, such as NFTs or airdrops. Each staking contract will be customized and may have a lock-up period and/or withdrawal period. An example of a staking contract might have the following parameters:

- Deposit minimum of 100 \$MUSIC tokens
- Variable APR / APY
- Deposit any time
- May or may not have a lock-up period
- Withdrawal period depends on the contract

2.2 Higher Percentage Payout for Artists

Any artist who has music distributed through OnChain Music and decides to receive their royalties in the \$MUSIC token will receive 92% of all gross revenue earned through the distribution and sale of their own music, NFTs, or merchandise.

Anyone receiving royalties in any other digital asset or fiat will receive 90% of all gross revenue earned through the distribution and sale of their own music, NFTs, or merchandise.

2.3 Governance

Voting power is equal to the number of tokens held by each person. For example, 1 token = 1 vote. OnChain Music voting topics may include, but are not limited to:

- Fee Pool Rewards
- Staking Rewards

2.3.1 Governance Veto

There may be times when a proposal will be vetoed by OnChain Music as opposed to being voted on by the general public. The only time this is applicable is when proposals deviate too far from the core principles in this white paper.

3 Tokenomics

3.1 Total Supply

Initially, we created 200M \$MUSIC tokens. Afterward, we realized it would be challenging to bridge tokens over to other blockchains. Therefore, prior to providing liquidity on Uniswap and PancakeSwap, we burned 50M tokens on the Ethereum blockchain. Then, we deployed the OnChain Music token on the Binance Smart Chain with a supply of 50M. This allows the token to be traded on both blockchains while maintaining the total supply. In the future, we hope to build or utilize a bridge so we can more easily create liquidity on other blockchains.

3.2 Distribution

Ultimately, we will send 100M tokens to exchanges. Initially, we sent 1M tokens to Uniswap and 1M tokens to PancakeSwap. We paired the \$MUSIC tokens with Ethereum (ETH) and Binance Coin (BNB), respectively. As the liquidity and demand of the \$MUSIC token grow, we will increase the number of tokens in the pools or exchanges until all 100M tokens are distributed. The total supply of 200M \$MUSIC tokens is dispersed as depicted in Chart 1 below.

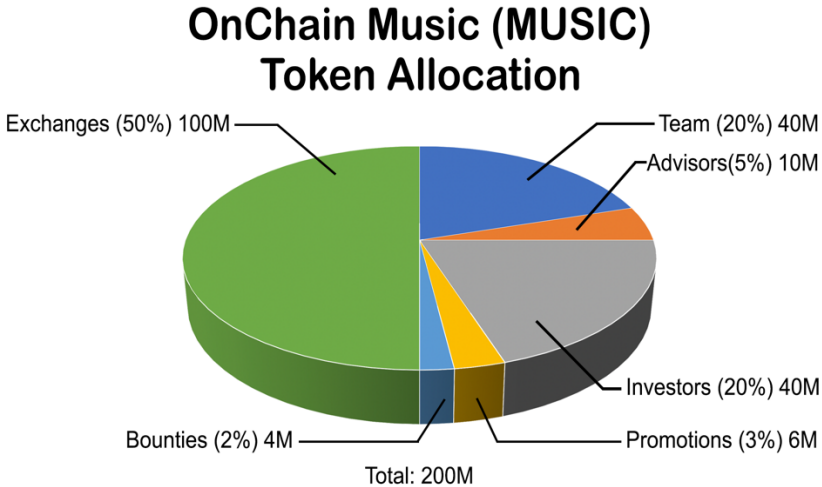


Chart 1

3.3 Vesting Plan for the Team

Tokens allocated to the team will be distributed in the following manner:

Initial Release	25%	10M
After 1 Year	25%	10M
After 2 Year	25%	10M
After 3 Year	25%	10M

4 Contract Functionality

4.1 Burn and Mint

These functions will allow tokens to be created or destroyed. When tokens are being moved from one blockchain to another, it might be necessary to mint on one side and burn on the other. This action will maintain a constant total supply.

4.2 Snapshot

It might be necessary to know exactly how many tokens were being held by people at a specific time. For example, we may airdrop tokens to holders who meet a specific requirement on a particular date and time. The snapshot will ensure we have an accurate record of the token holders at that exact time.

4.3 Pause and Unpause

These functions exist just in case of emergencies. For example, if our contract became the target of a hacker, we can mitigate damages that might affect token holders.

5 Legal Disclaimer and Risks

This white paper does not constitute any relationship between you and OnChain Music. By purchasing the \$MUSIC token, you agree and understand that there is a risk of losing some or of all your investment. This white paper is for informational purposes only and is not financial advice. Please do your own research before making any investment decisions.

6 Conclusion

We believe OnChain Music can make a positive difference in the lives of artists and musicians across the globe. This is possible through decentralization, transparency, and integrating web3 technology to create new and faster payment systems.

References

[1] Paul Resnikoff. Welcome to the 'Royalty Black Box,' the Music Industry's \$2.5 Billion Underground Economy. August 3, 2017. url: <https://www.digitalmusicnews.com/2017/08/03/music-industry-royalty-black-box/> (visited on 05/30/2021).