ETLA Protocol is a fee reduction protocol for Ethereum. It is designed to be protocol agnostic, easy to use, well tested and efficient. It is useful to blockchain users and developers alike, providing a useful hedge against future gas price increases from network traffic.

A Gas Token is a commodification of Gas fees. The aim of such a token is to frontload gas fees by paying for long term blockchain storage when gas is cheaper. The EVM provides a gas rebate mechanism for freeing up this storage, which reduces the gas cost of the entire transaction. Existing gas tokens, GST1/GST2 and CHI, are limited in scope and application, and can only be used in scenarios where the rebate mechanism has been called from another smart contract.

ETLA Protocol providing a universal transaction wrapper, that can be used to provide rebates without requiring smart contract developers to reference the protocol directly.

The overall aims of the ETLA Protocol protocol is to;

- Reduce long-term gas-price exposure for the individual
- Enable speculative gas investment
- Provide a source of fees to miners and validators during periods where blockchain activity is low (bear markets)
- Provide a vehicle for individuals to store and reuse gas.

This document outlines the core mechanics of ETLA Protocol.

Website: https://www.etla.io
Telegram: https://t.me/etlaio

Protocol Elements

The transaction wrapper is the transaction agnostic part of the ETLA Protocol protocol which facilitates gas saving by wrapping a transaction with the token burning and gas rebate that gas tokens offer.

The wrapper itself is a smart contract wallet that an owner can use as a proxy to their own wallet when executing a transaction. The wallet is extremely locked down so that only the owner of the wallet can interact with the wallet. This is enabled by the OpenZeppelin Ownable library.

The protocol comes with a smart contract deployer which can be used for two things. The first is the deployment of new smart contracts from provided byte code. The second is the deployment of a unique smart contract wallet for a given user. Both functions transfer ownership to the address that is creating the transaction.
User Interface

A UI has been created that can facilitate the ability to route transactions to wallet connect enabled dApps, deploy contracts, mint/wrap gas tokens, claim rewards and stake.

ETLA and Gas Tokens

**ETLA Protocol** introduces three wrappers for existing gas tokens and a protocol token used for staking, fee savings and voting.

Gas Tokens Wrappers

The protocol uses wrapped version of GST1, GST2 and Chi. Existing gas tokens do not conform to a standard and use a pseudo-similar interface. **ETLA Protocol** introduces wrapper tokens that formalizes the method calls that these tokens make. The wrapper allows the tokens to be used within the **ETLA Protocol** protocol. These formal wrapped tokens introduce full ERC20 compatibility, as well as wrapping and unwrapping.

ETLA Token and Incentives

The **ETLA Protocol** token (**ETLA**) is the native token for the protocol. It bestows a few benefits to the holder. Some of these benefits are given when holders of the token can stake their tokens within a pool.

Staking Rewards

Stakers a portion of their total stake daily. This reward is provided from the **ETLA** tokens provided to the vault contract address. When the contract no longer has tokens available for rewards, rewards will end. The protocol will have enough tokens to provide stake, mint/wrap and other rewards over a sustained period. The reward tokens will unlock linearly, and will be added to the reward pool as they unlock.

Fee Reduction

If a user has staked 25k tokens they reduce minting and burning fees for themselves. The fees for this can be seen in the fees table. The user has the option to burn **ETLA** tokens, which removes the fee for that specific mint or wrap transaction. The burn rate for this saving is 1 **ETLA** per transaction.

Fee Pool

The fees collected by the protocol when users mint and wrap gas tokens will be routed to a fee pool. If a user has staked 100k **ETLA** tokens they can claim tokens from the fee pool by burning some **ETLA**. The ratio of tokens burned to gas tokens given to the user is 1:1. Where burning 1 **ETLA** gives the user 1 gas token of their choice, from the gas fee pool. There is a limit of 5 tokens claimable per 6 hours.
period, this is to prevent bots and whales from massively exploiting the fee pool. All fees collected are available to be claimed in this manner.

**Gas Token Fee**

**ETLA Protocol** has no fee when it comes to using the protocol in gas saving transaction. The fee is paid by the user upfront in the form of a gas token fee. This fee is introduced in the wrapping of GST/Chi and a fee for using the protocol for minting these existing tokens.

The gas token fee is multi-pronged, designed to be progressive as the fee scales based on the number of tokens. This means that the fee as a percentage of tokens minted/wrapped goes down as the number of tokens created in the transaction goes up.

**Gas Token Fee Structure**

<table>
<thead>
<tr>
<th>Token</th>
<th>Burning</th>
<th>Minting of base gas token</th>
<th>Minting of base gas token (Tier 1/2 Stakers)</th>
<th>Wrapping</th>
<th>Wrapping (Tier 1/2 Stakers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wrapped GST1 &amp; GST2</td>
<td>No Fee Ever</td>
<td>0.02</td>
<td>0.01</td>
<td>0.01 + 2%</td>
<td>0.01 + 1% of total tokens wrapped</td>
</tr>
<tr>
<td>Wrapped Chi</td>
<td>No Fee Ever</td>
<td>2</td>
<td>1</td>
<td>0.01 + 2%</td>
<td>1 + 1% of total tokens wrapped</td>
</tr>
</tbody>
</table>

**Gas Reduction**

The most obvious benefit of the protocol is its ability to offset the price of a transaction, by paying for gas when prices are lower. For instance, the average gas price is currently 40gwei, whilst the minimum is 32gwei. It is entirely possible for individuals to mint and wrap gas tokens at 32gwei when the network is quiet. In order to benefit from time-sensitive transactions at a price of 60gwei. Making such an action profitable.
Agnosticism

The benefit of current gas-tokens to the lay person is limited. A deep technical knowledge is required to create a solidity smart contract that utilizes gas token rebate mechanics. Users only benefit when the contract they are using integrates gas tokens, such as seen in 1inch with it's chi integration. **ETLA Protocol** reduces this hurdle by wrapping essentially any transaction that is sent to the the users **ETLA** smart wallet. This wrapping procedure is relatively low-skill and simply requires pasting a wallet connect link. Which reduces this existing barriers to gas saving.

Flash Gas

It is entirely possible for arbitragers to utilize this protocol in combination with Flash-Swap mechanics to execute time critical/high gas-price transactions, at a large discount. This would foreseeably be facilitated by the flash swap functionality that AMM's offer. Liquidity providers in these AMM pools would benefit from a spike in price, and a portion of that arbitragers provide.

Gas Tokens Mining

AMM liquidity pools of Gas Tokens provide a floating exchange rate for gas. When the floating exchange rate is lower than the current gas price, individuals can benefit by buying up gas tokens and using them to reduce transaction cost. Conversely, when the exchange rate is higher than the gas price, individuals can mint new tokens and sell them to liquidity pools in order to pocket the difference. This adds a completely new dimension for gas-economics.

Tokenomics

Community distribution and Incentives
A number of community events and token distributions are planned as a means of encouraging the adoption of the Gas swap protocol. These events will aim to distribute a large portion of tokens in a fair manner.

**Minting and Wrapping Rewards**

Community rewards of ETLA tokens will be rewarded to minters and wrappers as an incentive to use ETLA as a minting/wrapping platform. These will only be awarded in a scenario where ETLA has not been burned in the transaction.

**ETLA Token Allocation**

100M ETLA will be offered on Ethereum.

**Supply**

The supply of wrapped GST1, wrapped GST2 and wrapped Chi is entirely dictated by market forces and the underlying appetite for gas hedging. There is no way to pre-
allocate these tokens as this would result in non-existent gas being stored. Which would result in the protocol failing. The locked funds will be vested in time lock contracts. Please see the specifics of the time lock periods in the allocation section. Users are encouraged to burn ETLA in order to save on protocol fees and withdraw from protocol gas token pools, the protocol expects a long term decrease in the token supply as a result.

Road Map

Security

- Final Audit
- Mirror/Backup sites
- DDOS protection

UI Rework

The protocol decided to do things differently to the traditional crypto project. We built the product before we did any kind of ICO/IDO. As a result the current UI should be considered a MVP. There's a bunch of things we'd like to improve!

- New homepage
- Improved UX
- Faster site
- Mobile friendly
- Support for more wallets

Protocol

There's a few things we want to explore to do on the blockchain side of the protocol of things to make the project even better.

- More efficient gas tokens.
- Additional GSVE tiers and incentives.

Tokens

We believe liquidity is key for a project to succeed and there's a few thing's we are doing to enable this.

- Listings on traditional exchanges.
- Spread liquidity across more AMMs