



# CREATE PROTOCOL

CREATIVITY.DECENTRALISED

WHITE PAPER

# TABLE OF CONTENTS

ABSTRACT	01
CREATE'S VISION	01
PHILANTHROPY	01
WHAT IS NFT?	02
PROBLEM	02
SOLUTIONS WHICH CREATE BRINGS TO THE TABLE	02
CREATE ECOSYSTEM	07
ARCHITECTURE	08
NFT MARKETPLACE	10
NFT PROTOCOL	10
VALUE CREATION OF A CROSS-CHAIN BRIDGE	.....
CREATE CONSOLE	11
HOW MUSIC CONTRACTS BETWEEN CREATORS, CREATE AND FANS WILL TAKE PLACE	11
DE-FI SOLUTIONS	12
SCALABILITY AND INTEGRATIONS	12
IP AS A COLLATERAL FOR LOANS	12
BRAND COLLABORATIONS WITH CREATE	13
TOKENOMICS	13
ROADMAP	13
ADVISORS	.....
FIND US AT	13
REFERENCES	14

## ABSTRACT

---

We believe in a world where artists own not just their creation/ art/music but also the platform which facilitates the interaction with the artwork with the fans, listeners, viewers and brands. At the same time their creation should give them open access to premium financial services, and not just to the privileged few. Decentralised Creator Platform with a native token is the means to achieve this. Our mission is to provide the products and services necessary to provide a creator oriented economic structure

## CREATE'S VISION

---

CREATE is a project that began in 2020 as an effort to make artists and creators independent and give them freedom to do whatever they want with their art. The primary focus is to make the overall experience of creating a content, getting funded to create the content and interacting with the audience directly seamless which gives creators what they actually deserve.

## PHILANTHROPY

---

The Create Foundation has been set up with a mission to support education and innovation in art, games, music and entertainment sectors and the vision to not let money be a barrier for artists. Anyone who requires grants for projects in these fields will get them through this channel.

There are multiple ways in which the grants can be provided:

- Artists and Students would be able to apply for it themselves through our portal or they could be granted depending on the demands of the Creator community.
- A channel for 'Fan Funding' would be created where anyone from the Creator Community would be able to interact and promote initiatives posted by artists.
- Create Team will always be on a hunt to support the talented artists who are in need.
- The foundation will have dedicated capital which will be funded by Creator Community with 20% of the MZX token liquidity pool solely allotted to it.
- Philanthropists who would want to specifically donate to the foundation also will get the option in eventual releases.
- Not just that, artists also will be able to support by minting NFT dedicated to raising money for charity.

In this way the Foundation will provide grants in MZX token to people, NGOs and educational institutions.

## WHAT IS NFT?

---

NFT (Non Fungible Token) is cryptographic token of any rare asset. The ownership and validity of NFTs is irreplaceable and inimitable over the blockchain network. Thus they can be used to represent easily-reproducible items such as photos, videos, audio, and other types of digital files as unique items, and use blockchain technology to establish a verified and public proof of ownership. They can also be used to represent and trade digitized real world assets such as real estate, fine art.

## ADOPTION OF BLOCKCHAIN TECHNOLOGY AND NFTS

---

- The cost of transaction in blockchain is millions of times cheaper than the traditional economy. For example, the transaction fee for transferring 849,999 Ether (which is equal to \$1,129,879,499) is only \$0.19.
- More than \$270 billion in assets have been distributed in blockchain transactions. As of February 2021, about 612,000,000 blockchain-based transactions have been made.
- Daily average traded volume of NFTs is about \$100,000,000.
- NFT sales volume surged to \$10.7 billion (roughly Rs. 79820 crores) in the third quarter of 2021.

## CENTRALIZED MUSIC INDUSTRY: FACTS AND FIGURES

---

- According to a 2017 report by Citigroup, the musicians earn only about 12% of the revenue generated in the entire music industry.
- Spotify, the largest music streaming platform in the world (in terms of active users); pays rights holders a paltry amount between \$0.006 and \$0.0084 per stream. To earn a decent income, say \$1000 in a month, an artist needs roughly 120000 streams consistently per month.
- In recent times, less than 1% of the artists have succeeded, a huge part of which is due to lack of funding required for production, instruments and maintenance.

## PROBLEM

---

With increasing competition in the music industry, most record labels try to reduce the royalties given to less renowned artists to a minimum; thus leaving the artists in a highly competitive space with margins much below their expectations.

Due to the current opaque system:

- Artists have no clue where the revenues are going or getting used up in the process of publishing and release.
- Many artists have concerns regarding loss of volition.
- Artists have to do what the management says without knowing what is happening.
- Contracts signed with musicians by labels are at early stages of an artist's growth through which they control how much % profits they usurp.

## SOLUTION – VALUE THAT CREATE BRINGS TO THE TABLE WITH MERCADO STUDIO



## **VIEW PROTOTYPE**

### **PROVIDING TRANSPARENCY:**

Using blockchain technology (an immutable ledger holding validated data and transactions which is visible to all) embedded in NFTs and cryptocurrencies.

### **PROVIDING VOLITION:**

Artists get to choose the % distribution of revenues earned using blockchain based smart contracts.

### **RELEVANT & SUSTAINABLE SOLUTION:**

Web 3.0 networks are used which are powered by decentralized protocols, built on the principles of privacy and decentralisation.

### **GREATER SECURITY:**

The Muzix tokens run on a blockchain platform unlike centralised companies and thus all the contract details are tamper-proof, transparent and securely accessible to everyone on the network

### **CHARGING MINIMAL SERVICE FEES:**

Service fees are kept negligibly low compared to the service fees/commission fees charged over other platforms.

### **ARTISTS IN CONTROL OF THEIR ARTWORK:**

The muzix platform enables the artist to decide the amount of royalties he would keep along with the distribution of the remaining part to fans, investors and community. APIs enable developers and partners to build interactive products through access to the content catalogue in a fair way building additional revenue streams for creators.

### **DEMOCRATIC ECOSYSTEM WITH NO MONOPOLY AND GOVERNED BY THE COMMUNE:**

The management and ownership of royalties is no longer in the hands of a centralized institution but rather decentralized among the artists and the fans, community and investors

### **FINANCIAL SUPPORT:**

Providing Loans and access to DeFi products to the artists on the basis of their artwork. By selling NFTs at an early stage the artists can get funding in return for the profits/royalties generated at a later stage. Ensuring that the artists in need of money also get grants for crucial projects. Giving the helping hand to youth for education, and studies in every aspect of the arts and music.

Muzix blockchain platform is owned mainly by creators unlike centralised platforms and some of the popular NFT platforms like OpenSea, Binance NFT marketplace, etc. which are not necessarily owned by creators.

# HOW WE'RE SOLVING

---

## 01

Connecting artists to world of blockchain

## 02

Token transactions

## 03

APIs to be developed above the CREATE ecosystem which will possess the sole goal of serving the creators to generate more creations.

- NFT Marketplace
- Create Console
- NFT Protocol
- Create Foundation
- Creator.Defi

## 04

Smart Contracts based licensing and royalty management.

# SCOPE AND GROWTH POTENTIAL

---

In May 2020, Goldman Sachs estimated the entire music industry's revenue (live, recorded, and publishing) to increase from \$62 billion in 2017 to \$131 billion in 2030, representing a 6% CAGR. With the revenues of music through copyrights and licenses growing at an exponential rate, Create provides the artists and investors the ideal platform which is exploitation free and gives artists the freedom to decide the revenue model for their productions.

Emerging markets, such as China and India, are only just starting to pay for music IP. According to IFPI's 2019 Global Music Report, China was the seventh-largest music recording market, and India was not even in the top 10, despite having the world's two largest populations. Goldman Sachs' "Music in the Air" analysis notes that paid streaming penetration rates in China and India are currently 4% and 3%, respectively. Furthermore, the following chart from Goldman shows how little is currently spent per capita on music in emerging markets relative to developed markets.

# CREATE ECOSYSTEM

Create introduces a community of multiple members who interact amongst themselves to grow an ecosystem together. Artists are at the core around which the ecosystem is built.

## 01

Artists collaborate with other artists to build artworks, secure their remuneration allocation using smart contracts and upload them on the marketplace.

## 02

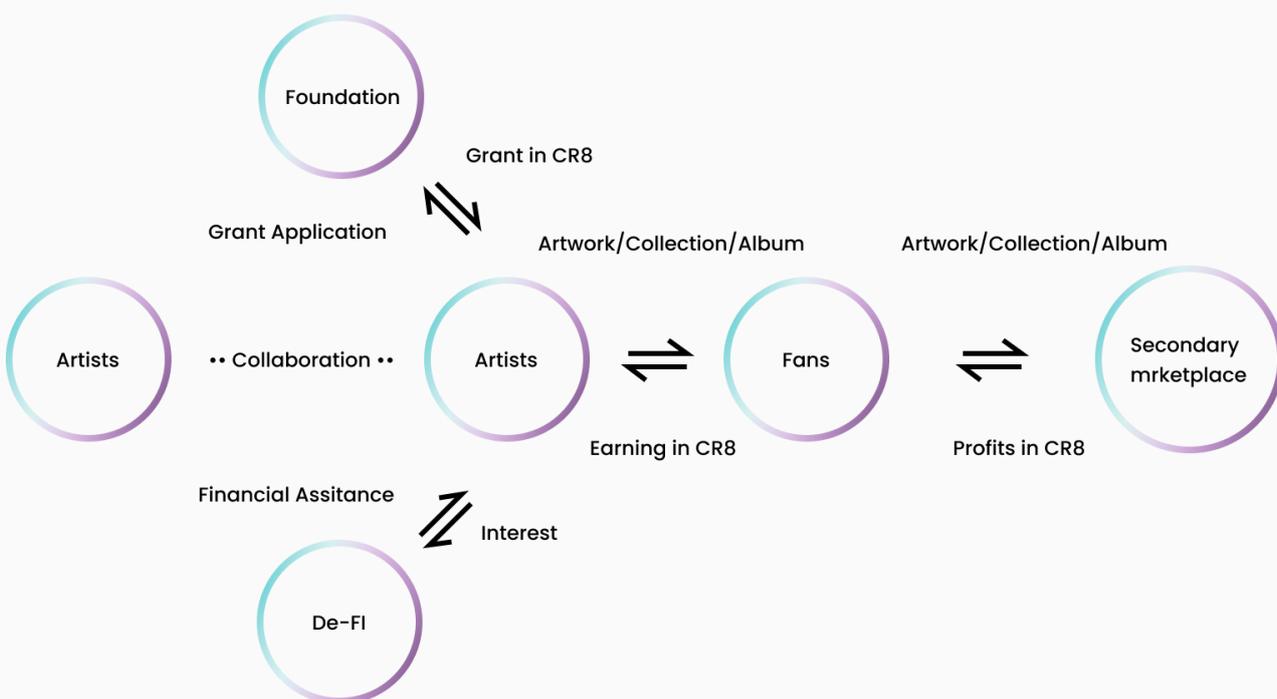
They can interact with their fans by uploading their artwork, collection, branded goodies, albums on the Create and Mercado NFT Marketplaces and earn in cryptocurrencies from it.

## 03

Fans can further sell their artwork in the secondary marketplace to earn profit and thus build the value of the artwork further. Every time the art is being sold in the market, the artist will get a certain percentage of the value as royalties which will be predefined in the blockchain based smart contracts.

## 04

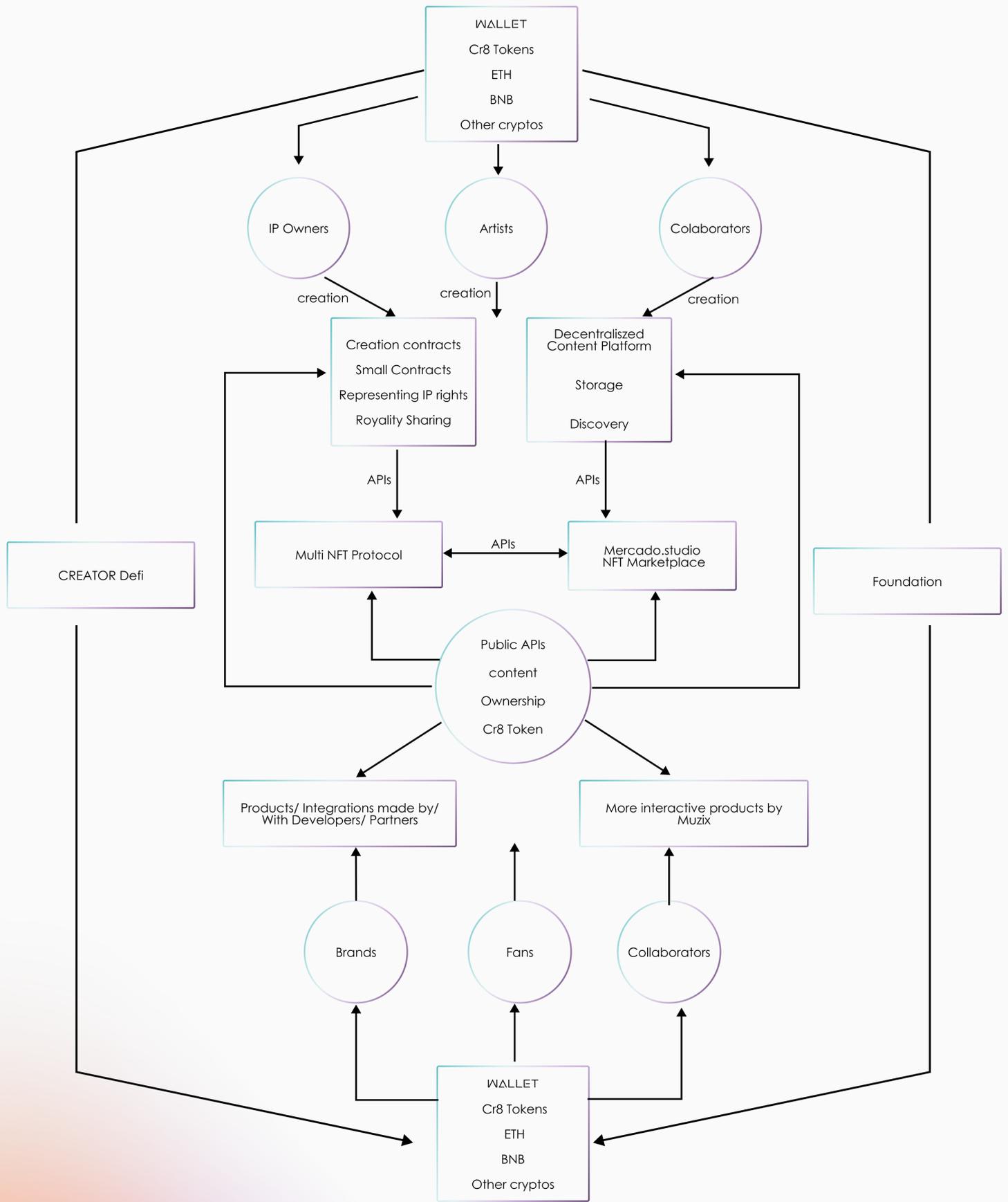
Artists in order to create the artwork would require heavy investments. Here comes the role of DeFi and Foundation which will fund the artist to build artwork. 'creator.defi' is the DeFi solution at Create which will provide Artists opportunities to utilise financial assistance from the community.



## CREATE ARCHITECTURE

---

- The system is designed for the following different types of users: Artist Fan/ Consumers / Investor.
- Every user will start with making an account in Music, along with account creation a wallet will be created. This wallet stores the 'CREATE' coin purchase/ redeemed/ or transacted.
- Every user can then list themselves as a content creator and generate their creator ID, get access to Create console, defi services, and many more. Creators can then list their music as solo artists or collaborate with their fellow artists.
- Creators can now make their own terms of music contract, for their art, and launch them for fans/investors to invest in them. Creators can use the Create Console to monitor their growth and performance. Creators can also leverage their content for financial assistance. 'creator.defi' is the DeFi solution at Create which will provide Artists opportunities to utilize financial assistance from the community.
- Artists can now earn royalties every time their music is being played on games, concerts, remixes, advertisements anywhere by integrating the create API with different platforms. A different artist can create remixes, the creator of the original music will receive royalties, this royalty is decided by the artist themselves.
- The rights of the music are never owned by Create, we charge a minimal operation fee.
- However, the artists are free to transfer their rights and ownership to anyone anytime.
- Fans can further sell their artwork in the secondary marketplace to earn profit and thus build the value of the artwork further. Every time the art is being sold in the market, the artist will get a certain percentage of the value as royalties which will be predefined in the blockchain-based smart contracts.
- Users (Fans and Creators) will be awarded for contributing to the entire Create ecosystem, for example using Create Token for paying the transaction fees will be significantly lower than paying by different means. Fans/Creators can earn a part of transaction fees by inviting other people to join into the network.



# CREATE ARCHITECTURE

## STAKING

---

Staking is the process of locking in a desired amount of tokens in order to earn a rate of interest on the coins locked in rather than keeping it idle in the crypto wallets. The benefits of staking mainly include gaining interest on your token holdings and avoiding “pump and dump” of tokens by locking in a desired amount of tokens for a predetermined amount of time.

## NFT MARKETPLACE

---

NFT marketplace is the first product of Create ecosystem that we'll be launching. It is a hub of high quality art, talented artists and art collectors. Any digital artwork in the form of audio, visual or both can be uploaded here.

As an artist, you can mint your art as NFT, display it, share it, sell it and also auction it. As a collector or fan, you can also make art collections, albums, and a lot more on our platform. In this space, a creator can be a collector and a collector can be a creator too. The aim of the marketplace will be to prioritize creators and help them to get the deserved value for their art as well as help them collaborate with other artists. The end goal is for an artist to earn through his or her artwork.

Any person wanting to showcase their art work and earn from it can put their content as NFT on the marketplace. A person has to have a crypto wallet and art to mint NFTs. Even if they do not have a crypto wallet and don't know how to make one, Create team will guide them through the journey whenever required. Anyone can become a collector by possessing a certain amount of The marketplace will be governed by the Terms of Use document which will guide on the legal aspect of the transactions. The smart contracts for NFTs will have standard templates by users for convenience but they will also have the option to create custom smart contracts.

## NFT PROTOCOL

---

We are building the multichain Create NFT Protocol which powers the Mercado.studio NFT Marketplace and would be made available to developers and partners.

Cross-Chain Bridge: Includes management contracts and validator nodes that monitor transactions occurring on source chains, process them, and synchronize them on the target chain in accordance with the user's request.

Interoperability: Currently NFT platforms lack interoperability and multichain transactions swap NFT with FT, NFT with NFT, FT with FT.

Physical assets - NFT bridge: The huge underlying application of NFT Technology is bringing physical assets like a piece of land to Blockchain. Our NFT Protocol has applications in Games, Fashion, Art, Music, Virtual Worlds, Education, Content Platforms, Bridged Physical Assets.

## CREATE CONSOLE

---

Create Console is a blockchain-based unified analytical creator dashboard. It is an analytical dashboard that can be used by artists to analyze every aspect of the Muzix Community.

### **Financial Analytics:**

In Create Console, you will be able to find financial analytics regarding how many tokens in your wallet have come from what NFT sales and other aspects of communal interactions in the community. Console will also consist of a real time ticker of how much the CREATE token is valued at in the crypto market. Various graphs regarding earnings, weekly progress, and other sales

### **Collaboration tab:**

The console would also consist of a Collaboration tab which will consist of information on the multiple collaborations the user works on. It will show a list of users you collaborate with, and updates regarding the collaboration invitations that are sent and received. Users will also get to see the progress of their collaboration projects on our console.

### **Foundation:**

The foundation tab includes data regarding philanthropic aspects of the community. Users will get details and analytics about both; the grants the user has received and the grants user has supported others with.

### **DeFi:**

This tab will enable the users to track financial investments and funding that they have made or taken. Here the community members will be able to check how much of their loans have been repaid, analyze if they are on track with respect to the repayment.

## HOW MUSIC CONTRACT BETWEEN CREATORS, CREATE AND FANS WILL TAKE PLACE

---

Artists will own 100% of their content, create will not own any music rights. After registering on the platform the artists can make their own terms of the contract. For example, artist XYZ made a song, now XYZ can say i will distribute 20% of the ownership to my fans who own the token and they will receive the profit as per their holdings or one can say they are willing to sell 8% of their ownership to a certain person for a given amount of money. This gives the artists the freedom to use their content and it's rights in whatever way they want.

Budding artists can leverage their Intellectual Property(IP rights) to get funding required to make a song/music using the creator.defi. The artist has to transfer the ownership of their content for the funding, and once the art generates enough revenue to return back all the borrowed money along with the interest rates associated, Create will transfer the entire ownership back to the artist. During this time the artist can neither distribute or sell their ownership rights to anyone.

The De-Fi solutions will be available to any verified artist in the Creator community who has a certain amount of CR8 tokens in their Create wallet. We are initiating Create's DeFi products by launching Institutional Loans and 'Fan Funding' solutions on our DeFi platform in the upcoming Quarters. Projects on building Institutional pools of investors for funding artists are also under discussion.

## DE-FI SOLUTIONS

---

The Music and Art Industry has been failing the artists over and over for over centuries. The banking system as it is at present has a centralized system and gives complete power to the banks and government policies to define who gets loans and what is a potential collateral. Currently banks accept only limited entities as collateral and Intellectual Property Assets are not one of them. Therefore, even artists who have valuable Intellectual Properties will be unable to get access to financial products like loans and insurance from the system. For creating high quality digital art, artists need to invest thousands of dollars into high-tech software. Marketing and Collaboration with High Quality artists is equally costly. As they can't get loans on their artwork, even highly skilled Artists may struggle to earn a living. Create's De-Fi has been launched to provide support to talented artists like these.

The De-Fi solutions will be available to any verified artist in the CREATE community who has a certain amount of CREATE tokens in their CREATE wallet. Artists will be able to access loans at Create by keeping NFT's of their intellectual properties as collateral. We are initiating Create's DeFi products by launching Institutional Loans and 'Fan Funding' solutions on our DeFi platform in the upcoming Quarters. Projects on building Institutional Pools of investors for funding artists are also under discussion

## SCALABILITY AND INTEGRATIONS

---

Using the Create platform and the suite of APIs along with it, the users and the community have the freedom of extending the applications in the way they like over the Create content library. The Create platform can be used to deploy applications ranging from music related apps or games which are already being made using the Create Content Library. With the suite of APIs the use and control of the platform is completely in the hands of the users and the communities who can use the platform in any imaginable way.

## IP AS A COLLATERAL FOR LOANS(DEFI) AND FUNDRAISING

---

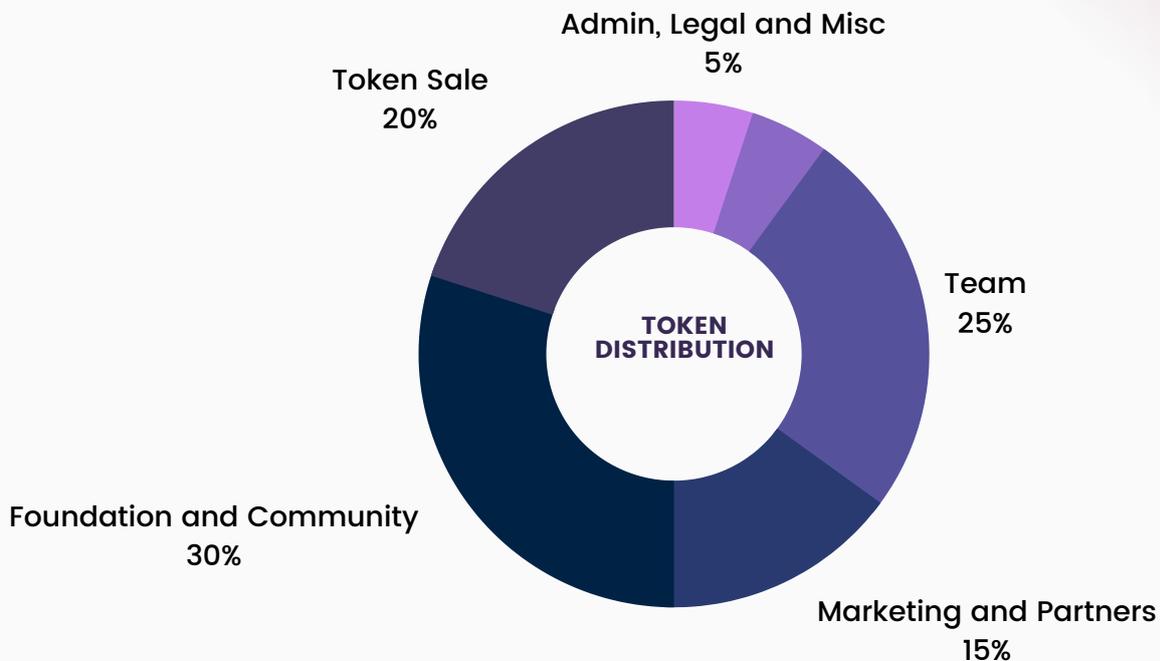
There are new licensing opportunities for music IP owners that are just starting to emerge. Short-form videos (e.g., TikTok and Triller), e-fitness (e.g., Peloton), and other platforms (e.g., Facebook) are just starting to license music IP from rights holders, creating new sources of future monetization. For example, in July 2020, the National Music Publishers' Association (NMPA) reached a licensing agreement with TikTok, a platform with roughly 100 million US monthly active users and 700 million worldwide monthly active users. Before signing the licensing deal, the NMPA claimed that approximately 50% of the music publishing market was unlicensed with TikTok. Other large platforms, such as Facebook and Peloton, have recently signed inaugural licensing deals with music rights holders. These licensing deals create exciting new future sources of income for music IP owners.

## BRAND COLLABORATIONS WITH CREATE

Brands can create their digital merchandise like Nike's Air Jordans or Money Heist's Jumpsuit which can be integrated with games like PUBG and Fortnite. This digital merchandise can be minted in limited numbers, for example 1000 Money Heist Jumpsuits. Now only a fixed number of these special NFTs but increasing popularity and demand will not only increase the demand thus increase their price but also hype up the digital merchandise. This could be a pioneering marketing technique for brands with growing popularity and a signature product.

## TOKENOMICS

The community will be driven by its governance token CR8 and the transactions across the system will be undertaken using transactional tokens from Metamask. The maximum total token supply is estimated to be 10 billion tokens. Following pie chart shows the distribution and allotment of the tokens in the community



## ROADMAP

Below is the the timeline of releases that Create is going to implement:



FIND US AT : [WWW.CREATEPROTOCOL.ORG](http://WWW.CREATEPROTOCOL.ORG)

## REFERENCES

---

1. Gross, Sally Anne, and George Musgrave. Can Music Make You Sick?: Measuring the Price of Musical Ambition. University of Westminster Press, 2020. JSTOR, <http://www.jstor.org/stable/j.ctv199tddg> . Accessed 5 June 2021.
2. <https://whitepaper.audius.co/AudiusWhitepaper.pdf>
3. <https://s3.us-east-2.amazonaws.com/assets.thetatoken.org/Theta-white-paper-latest.pdf?v=1607413508.47>
4. Audius: <https://whitepaper.audius.co/AudiusWhitepaper.pdf>
5. <https://library.oapen.org/bitstream/id/92339cef-c1e9-41fe-ade8-8dc95a67b948/340245.pdf>
6. BAT: Latest- <https://basicattentiontoken.org/static-assets/documents/BasicAttentionTokenWhitePaper-4.pdf>
7. 2017- <https://docs.google.com/viewerng/viewer?url=http://cryptooverze.com/wp-content/uploads/2019/01/BasicAttention-TokenWhitePaper1.pdf&hl=en>
8. Theta: <http://theta.tv> ; <https://docs.thetatoken.org/docs/whitepapers>
9. Williamson, John, and Martin Cloonan. "Rethinking the Music Industry." *Popular Music*, vol. 26, no. 2, 2007, pp. 305–322. JSTOR, <http://www.jstor.org/stable/4500319> . Accessed 31 May 2021.
10. <https://www.youtube.com/watch?v=ImuKAh0qjy4>
11. <https://spicyip.com/2020/12/who-gets-paid-for-music-revamp-music-copyright-india-part1.html>
12. <https://www.cnbc.com/2021/06/07/musicians-urge-uk-to-change-streaming-laws.html>