A Web3 Verifiability Layer

Fact Protocol is a verifiability layer of Web3 that powers applications including but not limited to Decentralized Fact-checking, Blockchain KYC/ID verification, and a variety of Authentication tools for Supply chain, Document verification, and more.

Index – Phase 1

Project:
Decentralized/Web3 System for
Fact-checking and Verifiability

Problem Addressing:
Fake News & Dis/Misinformation (Phase 1 - Current)
Blockchain KYC & Authentication Tools (Phase 2)

Token Name:
FACT

Blockchain:
Ethereum, Solana,
Polygon PoS, and BNB Chain

Symbol:
FACT

Utility:
Governance & Txn. Fee

Maximum Supply:
4,000,000,000 (4 Billion)

Minimum Supply Burn:
2 Billion (50%)

Domains:
https://fact.technology
https://2fa.news

Inventor:
Mohith Agadi

**A lie gets halfway around the world before the
truth has a chance to get its pants on.**
—Winston Churchill, Statesman

Abstract

Earlier, the only way to obtain news was the traditional way - trusted sources, media outlets, and journalists who follow a strict code of practice. But, the advent of the internet has changed things. There are many ways to publish and share information and quite often with little or no regulation standards.

Many people get their news from social media sites and often it is hard to tell if the source is credible or not. Social media sites play a huge role in increasing the reach of such Fake news/Misinformation.

This paper explains the Fact protocol - a governance and incentive protocol. Fact Protocol is a decentralized and scalable Web3 fact-checking system that uses its native fact-checking applications and Open APIs to mitigate this problem. News Registrars register news on the Fact platform and News Validators validate this news. The protocol forms rules and decisions through governance votes.

Problem - Fake News/Misinformation

The authenticity of information has become a long-standing issue both for printed and digital media, affecting businesses and society. On social networks, the reach and effects of information spread occur at such a fast pace and so amplified that distorted, inaccurate, or false information acquires a tremendous potential to cause real-world impacts, within minutes, for millions of users.[1]

Since the 2016 U.S. presidential election, the deliberate spread of online misinformation, in particular on social media platforms such as Twitter and Facebook, has generated extraordinary interest across several disciplines. In large part, this interest reflects a deeper concern that the prevalence of "fake news" has increased political polarization, decreased trust in public institutions, and undermined democracy.[2]

In addition to augmenting the level of fear and uncertainty among individuals, COVID-19 related fake news has resulted in severe losses to human lives including deaths in several parts of the world. It is estimated that during the first three months of 2020, around 800 people died and 5800 were hospitalized due to coronavirus-related misinformation.[3]

It is thus not surprising that the debate about fake news has been accompanied by a rise in civic and governmental attempts to counter online mis- and disinformation. Globally, multiple fact-checking organizations aim at authenticating official sources as well as social media claims, and there are some national attempts at governmental regulations of the issue. How far these different initiatives can prevent fake news from flourishing and its potentially adverse effects on media users or the democratic system, however, is an open question for future research.[4]

Misinformation is problematic because it leads to inaccurate beliefs and can exacerbate partisan disagreement over even basic facts. Merely reading false news posts—including political posts that are extremely implausible and inconsistent with one's political ideology— makes them subsequently seem more true.[5]

According to a Statista survey, the percentage of adults in the United States who were very confident in their ability to distinguish between real and fake news dropped from 39% to 26% between 2016 to 2019.

Solution

Fact Protocol's Decentralized/Web3 Fact-checking system has a viable plan to scale with incentivizing mechanism. Below explains how Fact Protocol is trying to address and mitigate the problem.

Fact Protocol

Fact is a multi-chain governance and incentive protocol that will allow its native fact-checking applications to self-sustain and scale through decentralized community contributions. The contributions are incentivized according to their contribution weight.

Through governance vote, rules are formed and decisions are enforced within the Protocol. All FACT token holders except NRs and NVs can exercise their right to governance vote. This default rule is enacted to avoid issues related to conflict of interest.
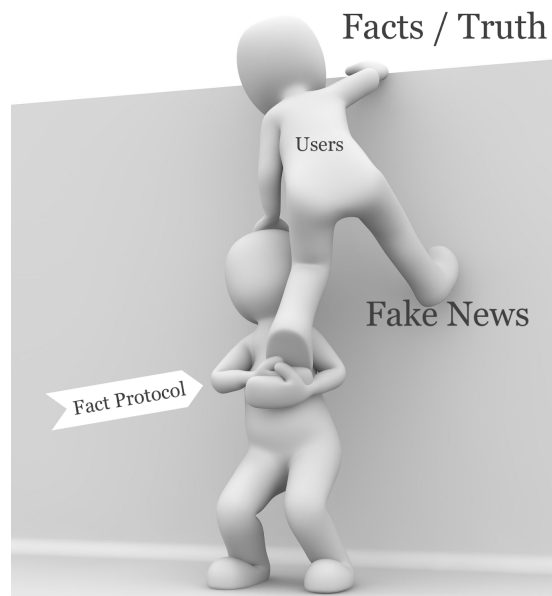
(MORE)

The only difference between being uninformed and misinformed is that one is your choice and the other is theirs.
—Frank K. Sonnenberg, Author

Community Contributions & Incentives

Factor 1: News Registrars (NRs)

News Registrars (NRs) contribute to registering the latest news on the platform governed by Fact Protocol with references to reliable sources for verification.

For this, NRs get incentivized with **FACT tokens** - native assets on FACT Protocol. The incentives are distributed after receiving positive votes from News Validators.

For any negative votes received, their locked^ incentives are retracted as a punishment and they will eventually get disbarred from their NR status.

### Factor 2: News Validators (NVs)

News Validators (NVs) are community users with patrol rights. NVs will validate news registered by NRs and if the news is not Fake, they will give positive votes and if the facts don't check out, they will give negative votes.

For their contribution, NVs get incentivized with FACT tokens.

Provision for Appeal

The protocol will allow NRs to appeal their failed registrations if they believe that the negative votes given by NVs on their submissions are invalid. The appealed news/fact will go through the same validation process specified in the protocol, but only this time the new NVs will vote.

Upon a successful appeal, the initial negative votes given by the NVs will become invalid and any tokens awarded to them for such votes will be retracted and then they are awarded to NRs for the inconvenience caused to them.

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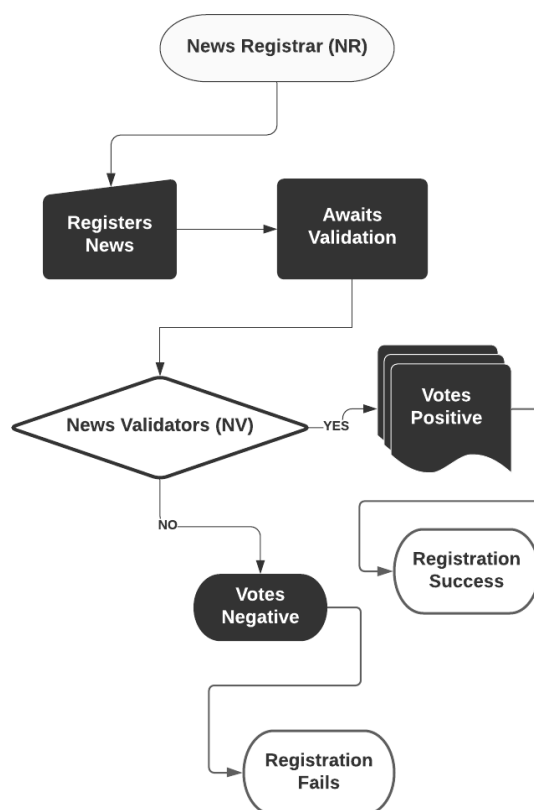
^<u>Incentives Unlock</u> - Tokens distributed as an incentive for both NRs and NVs are unlocked 60 days after they receive them. This default rule is enacted to ensure the platform's sustainable growth.

Aggregation of Facts

The Fact Protocol will aggregate Fact-check results from <u>Verified signatories of the IFCN (The International Fact-Checking Network) code of principles</u>. Sources are always cited.

By indexing the already verified facts, the Protocol will be able to fasten the Facts registration. In this scenario, the NR incentives are automatically allocated to the respective Fact-checking organizations, also known as original fact-checkers, because they are treated as News Registrars. Also, the NV incentives are given to the News validators as explained in the Factor 2 Section above.

The Fact Protocol will formally invite the original fact-checkers to become organizational community members and claim their incentives.
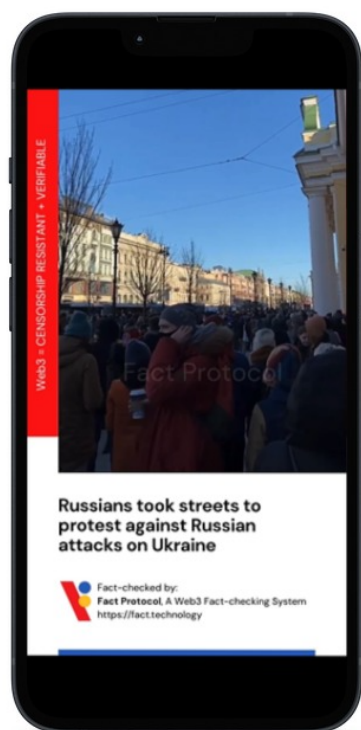
The Fact Protocol's native fact-checker cum indexer, **<u>2fa.news</u>**, intends to apply to become a signatory of IFCN after its launch.

*The Fact Protocol is an independent fact-checking initiative and it is not part of or affiliated with IFCN in any way, at least not until it becomes a signatory of IFCN.

Sua Sponte Fact-checking

The Fact Protocol will also have independent fact-checkers who are drawn from reputed journalism colleges/universities, non-profit news organizations, and also experienced freelance journalists.

These fact-checkers work on designated and regionally organized category/sub-categories. They perform fact-checking independently but on Fact Protocol's behalf. The fact-checkers can assume only one of the two-factor roles, i.e. either News Registrar or News Validator.

Roadmap

The project's concept was born in March 2021, and a proof of concept is created. As a next step in the process, in April 2021, the R&D is commissioned and protocol design is initiated in consultation with peers from the media/journalism discipline.

The Fact Protocol's **native token,** also known as a **native asset, 'FACT'** is scheduled to be made official in Q1 of 2022. Fact is going to be a multi-chain protocol, so, naturally the 'FACT' token is going to exist on multiple public/open blockchains with interoperable specs.

The year 2022 will be pivotal for the protocol since we have many platform releases and integrations planned throughout the year beginning in Q1/Q2. The specifics will be disseminated on a regular basis via Fact Protocol's official channels.

The Roadmap may extend beyond its current scope because Fact Protocol use cases are limitless and not just confined to Fact-checking. When a new proposal is created or an update is made, the same will be widely communicated to all of the protocol stakeholders.

All you need is a plan, the roadmap, and the courage to press on to your destination.
—Earl Nightingale, Speaker & Author

FACT Token / Cryptocurrency

The 'FACT token' is a native crypto asset of Fact Protocol. The token is used as currency to pay a fee for transacting across its ecosystem.

The token will also have other utilities such as Protocol Governance, Yield Farming, and Staking for Rewards. The FACT token will exist on multiple public blockchains. The total number of tokens in circulation across all chains will never exceed 4 billion, that is a hard cap.

Refer to FACT Tokenomics to learn more about 'FACT Token' attributes.

> If crypto succeeds, it's not because it empowers better people. It's because it empowers better institutions.
> —Vitalik Buterin, co-founder of Ethereum

Tokenomics

For any decentralized project to succeed, its communities and the other ecosystem stakeholders are vital. Therefore, to scale the protocol, fundraising and community incentives are crucial.

The team has brainstormed and consulted with independent advisors and created the Fact Protocol's Tokenomics to benefit communities from across the world and everyone involved in the project.

Each stakeholder category will receive a portion of token allocation with TGE unlock and vesting periods from 3 months to 36 months and beyond. This will ensure the project's sustainability and scalability.

Through majority governance vote amends are made and new initiatives are launched. The community can exercise its right to governance with the FACT tokens they HODL. The community can also put in proposals.

Partnerships 8%
Community Incentives 28%
Early Investors 8%
Treasury 10%
Marketing 10%
Public Sale 18%
Team 16%
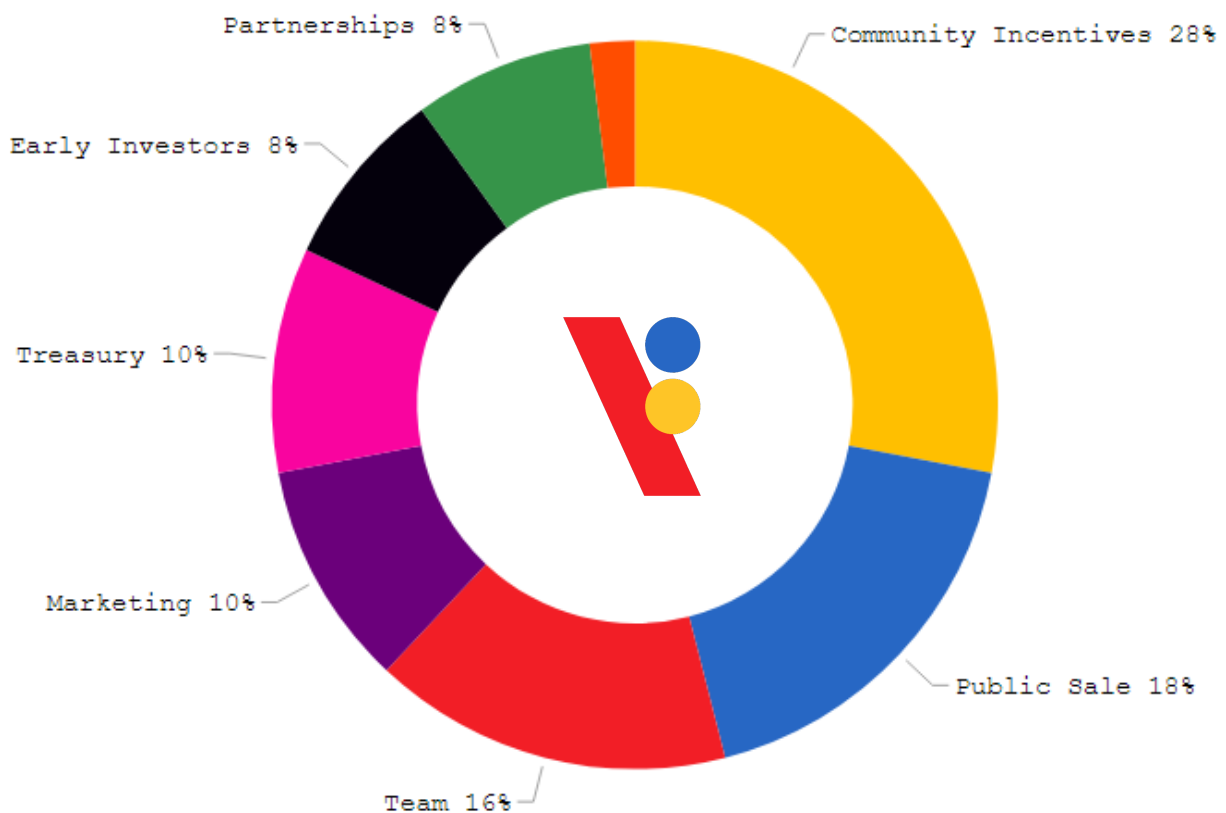
Tokenomics

--| Early Investors - 8%
20% TGE - 3 months Cliff, then 12 months linear vesting

--| Public Sale - 18%
100% via Exchanges - Funds raised will be used for the development

--| Educational / Awareness Campaigns - 10%
Awareness Campaigns to be budgeted for 12-24 months from launch

--| Treasury - 10%
Locked for 12 months

--| Community Incentives - 28%
   a. Community contributions will mine the tokens for 36 months
   b. Liquidity mining/Yield farming - Stake and Earn

--| Partnerships - 8%
Partnership remuneration

--| Team - 16%
50% will be burned - Monthly Unlock: Incentivized for 36 months

--| Independent Advisors - 2%
Incentivized for 36 months

**Plan your next move because
every step contributes towards your goal.**
—Sukant Ratnakar, Author

Tokenomics

The Fact Protocol also adopts a token-burning mechanism that will support its native token in terms of intrinsic value establishment and its price appreciation. The **$FACT** tokenomics mandates the token burn in two events as explained below:

--| Unlock Burn - 50%
Over time, a maximum of 50% of tokens will be taken out of supply. When locked tokens in any category of tokenomics unlock, half of these tokens are burned and permanently taken out of supply. This token burn event will end when all locked tokens have been unlocked.

--| Transaction Fee Burn
Some percentage of the fee collected from each transaction will be burned. The Fact protocol determines the percentage of tokens to be burnt through periodic community governance votes. This event is continuous.

Why Token Burn?

The token burn has become an industry-standard practice[6] to ensure the project's sustainable growth and also for rewarding the long-standing communities by creating organic scarcity because no decentralized project can flourish and achieve its goals without its communities.

Burn Governance

The Fact Foundation DAO will assume the responsibility of organizing a regular community governance vote to fix/amend the token burn rate.

> **Those who plan do better than those who do not plan
> even though they rarely stick to their plan.**
> —Winston Churchill, Statesman

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Environmentally Sustainable Web3 Protocol

At its core, The Fact Protocol is environmentally sustainable. The protocol promotes sustainability across its ecosystem by utilizing a PoS protocol/mechanism, also known as Proof-of-Stake, which is not only efficient in meeting protocol requirements, such as executing transactions at high speeds for a very low fee, but also environment friendly because, in comparison to the PoW (Proof-of-Work) mechanism, PoS emits significantly less CO_2 for processing each transaction.

PoW vs PoS - CO2 Emissions (Kilograms)

Ethereum PoW: 92.23 VS Polygon PoS: 0.0003 KG/TXN. Source: Polygon Blog[7]
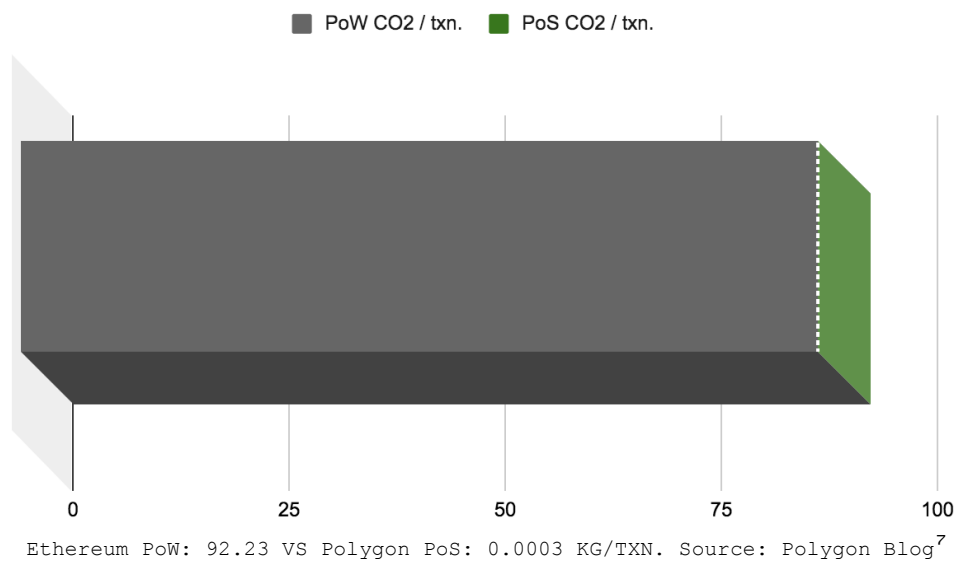
Fact Protocol aligns with the below UN Goals

The Fact Protocol is designed in such a way that it has near to zero environmental impact. The Protocol will never shift toward any kind of strategy/plan that will have an impact on the environment, whether on land, in the sky, or beneath the sea.

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The Fact Foundation

The Fact Foundation is the non-profit organization responsible for overseeing the activities of Fact Protocol and making sure its objectives are being achieved. The organization will not make any decisions for the protocol, but only propose amendments or new initiatives and then through community governance vote proposals are either approved or rejected.

The board of advisors is the advisory body of the Fact Foundation. They are responsible for directing the Foundation's functions. The board members are appointed for a two years term which can later be renewed or succeeded by other members.

Members are drawn from News/Media, Technology, and Academia. There will be a formal nomination and confirmation process for appointing the members but the community members can exercise their veto power through a governance vote if the community believes the nominated member is unfit for conflict of interest reasons.

Organizational Structure

The Fact Foundation will function entirely through the decentralized autonomous organization (DAO) structure but may be incorporated in one or more countries for various operational obligations. Any proposal/change in the organization is decided on the DAO itself, which later be executed in the incorporated organization.

The Fact Foundation DAO or Fact DAO, will function as a legislative body and the incorporated organization as an executive body.

Decentralized Autonomous Organization (DAO)

A DAO is a blockchain-based system that enables people to coordinate and govern themselves mediated by a set of self-executing rules deployed on a public blockchain, which is sometimes also known as a distributed ledger, and whose governance is decentralized i.e., independent from central control.[8]

> **There is no power for change greater than
> a community discovering what it cares about.**
> —Margaret J. Wheatley, Author
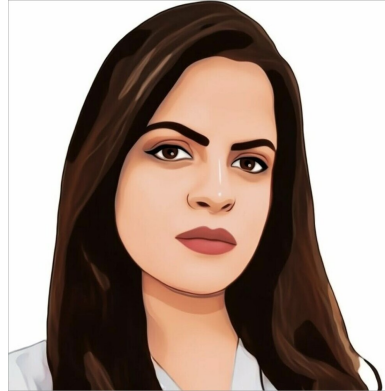
Team

Mohith Agadi
Founder

Zainab Asif
Advisor
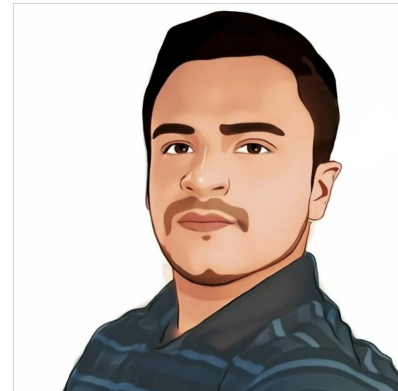
Sai Bhargav
Head - Communities

Gaja Ram
Advisor

Damodar Kalyan
Co-Founder

Manoj A.
Advisor

The strength of the team is each individual member.
The strength of each member is the team.
—Phil Jackson, Basketball Player

Founder/Inventor - Background & Motivation

Mohith Agadi is a globally cited Author, Journalist, SDGs Advocate, and Entrepreneur. He is known for his literary works and his use of social media to raise awareness on the United Nations' Global Goals, also called Sustainable development goals or SDGs.

Mohith is an alumnus of The Youth Assembly at The United Nations, New York.

He sees the need to create a standardized system for authentication and verifiability across a wide range of applications. In 2012, he invented the **'Authenticated.in'** system, which allows Educational institutions, Government organizations, Businesses such as employers, and Individuals to digitally access and validate educational credentials and official documents. His idea is intended to save time and money for all parties concerned. He abandoned the project after the Government of India created "DigiLocker," a digital service with identical goals and objectives.

Almost a decade later, Mohith was motivated to create Fact Protocol, a web3 system to handle numerous real-world challenges, by the fact that blockchain technology has opened the door to a broad range of use cases and applications in the Verification space.

His experience in new media journalism has aided him in his efforts to create the protocol. As an advocate for the UN Sustainable Development Goals, he wants the protocol to be ecologically sustainable since no problem in the world should be solved with a plan that has harmful environmental effects. So, after consulting with his mentors and peers, he and his team developed a protocol concept that uses the PoS, also known as proof-of-stake, which is a consensus mechanism and extremely energy-efficient blockchain technology.

We all are travelers traveling on a very big spaceship called Earth. Let's not ruin the engines of our very own spaceship in the name of development. —Mohith Agadi, Author

Founder/Inventor - Literary Works for Environment

Mohith Agadi's literary works have piqued the interest of people all over the world, and he has gotten citations and mentions from media, governments, global organizations, academe, and 100s of campaigns. ⬇

The Telegraph	Ministry of Education Government of India	INDIA TODAY	THE STRAITS TIMES
BCA GRUP BCA	Federal Ministry for Economic Cooperation and Development	Iceland Liechtenstein Norway grants Norway grants	WILEY
THE TIMES OF INDIA	NDTV	Philippines National Police	Government of Rwanda
PCRA पेट्रोलियम संरक्षण अनुसंधान संघ Government of India	MDPI	AMITY UNIVERSITY AMITY MANAGEMENT REVIEW	United Nations Convention to Combat Desertification
mita Information Technology Agency, Malta Gov	U.S. Army Reserve Sustainment Division	Televisa PUEBLA	NOTICIAS
PANGASINAN STATE UNIVERSITY 1979	UNGC-PRME IIM RANCHI	Kartavya Society . Environment . Life	The Nature Conservancy
Dirección de Investigación UTMACH	FOUR PAWS	AIESEC	SunStar

Mentors / Training / Tech Supporters

If not for the technical support, training, and mentorship from these organizations and initiatives, today we would not be able to come live with our idea to help the public from falling victims to Fake News.

We appreciate these initiatives.

Fact Protocol's Membership

Fact Protocol is a member of the organizations/initiatives/projects listed below, all of which aim to promote public awareness and combat fake news and mis/disinformation. While each organization's strategy may differ but we all collectively move forward toward the objective through cooperation and information sharing.

Initiative References:

1. https://blog.adobe.com/en/publish/2020/10/20/content-authenticity-initiative-unveils-content-attribution-tool-within-photoshop-behance
2. https://www.un.org/en/coronavirus/%E2%80%98verified%E2%80%99-initiative-aims-flood-digital-space-facts-amid-covid-19-crisis

Early Investors / Partners

Ecosystem

Wallets

*This list is not expansive. The FACT token is supported by any wallet that supports the ERC20, BEP20 token standards with the option to add a custom token.

Blockchain

Ecosystem

Exchanges - DEX

UNISWAP	PancakeSwap	QUICKSWAP

*The DEX listing dates/availability information is communicated via official channels.

Aggregators

1inch EXCHANGE	OpenOcean

Distributed Web/Web3

IPFS	built with Skynet

Protocol Full Scope

Phase 1 (Current)

- Native Fact-Checking Platform - Web/Mobile
- Fact-Checking APIs
- Fact Indexing and Blockchain IDs

Phase 2 (More details in next version Whitepaper)

- Blockchain KYC Applications/APIs
- Blockchain Supply Chain Authentication Tools
- Access Paywalls: Premium/Paid news content and subscriptions
- Decentralized News/Media Content Licensing Marketplace

And more feature implementations and integrations are communicated through Fact Protocol official channels as the platform scales.

References:

1. https://doi.org/10.1016/j.procs.2017.11.106
2. https://advances.sciencemag.org/content/6/14/eaay353
3. https://www.tandfonline.com/doi/full/10.1080/0960085X.2021.1886614
4. https://onlinelibrary.wiley.com/doi/abs/10.1002/9781118841570.iejs0128
5. https://www.nature.com/articles/s41586-021-03344-2
6. https://decrypt.co/77773/ethereum-is-burning-10000-every-minute-after-eip-1559-upgrade
7. https://blog.polygon.technology/why-eco-friendly-projects-choose-polygon/
8. https://doi.org/10.14763/2021.2.1556

Changelog:

Update - 03/24/2022: The Whitepaper has been expanded with more details about the Fact Protocol. This version of Whitepaper consists of all the info from its last.

Update - 02/15/2022: The Whitepaper has been expanded with more details about the Fact Protocol. This version of Whitepaper consists of all the info from its last.

Update - 05/30/2021: The project name has been changed from **2FA Protocol** to **Fact Protocol**, AND, all materials related will have the name updated in their next release. This update was proposed, discussed, and reached a consensus vote during the board of advisors meeting held on 05/29/2021.

Official Community Channels

Follow/Connect with below official social media and messaging channels
to stay informed about the latest news and protocol updates.

Social Media

Twitter   - https://www.twitter.com/factprotocol
Telegram   - https://t.me/FactProtocol
Facebook   - https://facebook.com/factprotocol
LinkedIn   - https://www.linkedin.com/company/factprotocol/
Instagram - https://www.instagram.com/factprotocol.official/
Medium   - https://medium.com/@factprotocol/
YouTube   - https://www.youtube.com/channel/UCC-aHpMFEpBeTAX9IU6Km1g

Websites / Domains

https://fact.technology - Fact Protocol's Official Website
https://2fa.news - Fact Protocol's Native Fact-checker/Indexer