Nano Contracts
Economics

Hathor Network has pioneered feeless transactions thanks to the native design of its tokens, which do not require contract execution. With Nano Contracts, Hathor introduces a minimal transaction fee model to ensure the sustainable usage of node resources during contract execution. While traditional token transfers remain free, Nano Contract operations incur small fees. From these, <u>70% are burned</u>, reducing HTR's circulating supply and helping control inflation.

The remaining <u>30% is rewarded to blueprint developers</u>, incentivizing high-quality, reusable code and fostering a thriving developer community. In the future, we envision a blueprint marketplace, where developers can create, share, and monetize reusable code.

Flexible Fee Payment Options

Fee payment has long been a barrier to crypto adoption. Even when transaction fees are low, requiring users to hold the chain's native token can create a frustrating user experience. For example, a user might hold a balance in USDC and try to transfer it, only to find they also need ETH to cover the fee.

Nano Contracts on Hathor Network prioritize user experience by offering flexible fee payment options. While all fees are fundamentally paid in HTR, the platform includes fee-handling mechanisms that simplify user interactions.

Prepaid Fees – Nano Contracts can hold an HTR balance specifically for transaction fees. Developers or project managers can fund this balance, enabling users to interact with the contract without needing to hold HTR. For example, in a token sale where users purchase tokenA with USDT, the contract can be preloaded with HTR for fee coverage, creating a frictionless experience.

Third-Party Payment – Hathor's unique model allows transactions to be created partially, with fees awaiting completion by third parties. For instance, a user might initiate a transaction sending 2 USDT and add an extra 0.1 USDT for fee payment (2.1 USDT total). A third-party could complete the transaction by collecting the 0.1 USDT and adding the required HTR fee.

Conclusion

Hathor's Nano Contract fee model strikes the perfect balance of rewarding developers and delivering a smooth user experience. By balancing effective resource management with developer incentives and flexible fee payment options, Nano Contracts lay the groundwork for a dynamic, high-performance ecosystem on Hathor Network.

<u>*Important Note:*</u> *Nano Contract transactions are currently feeless in the initial testnet phase, with fees scheduled for introduction in future updates. This initial version of Nano Contract economics may evolve based on testnet results and community feedback.*