Palmyr is a capital-efficient AMM and loan.

Palmyr offers predictable, time-based lending with no liquidations,

protecting users from volatility storms.

Whitepaper Version 1 — Preliminary Release

This whitepaper represents the first public version of the Palmyr protocol's design.
The concepts, parameters, fee structures, mechanisms, and governance rules described herein reflect the current state of research and may evolve over time.

As development progresses, audits are completed, and community governance becomes active, certain components of the protocol may be refined, adjusted, or replaced.

Nothing in this document should be considered final or binding. The purpose of this V1 release is to provide a clear and accessible overview of the protocol's architecture, philosophy, and intended mechanisms.

1. Core Principle

Palmyr introduces a new lending model based on time rather than price. No liquidations. No collateral volatility. Borrowers always know the rules: repay within a fixed time window, or the liquidity stays in the pool.

2. 80/20 Loan Architecture

When a loan is taken:

• Borrower receives an immediate payout of **80%** of their deposit.

• The remaining **20%** is added as LP into the pool to strengthen liquidity.

Internally, 90% of the deposit is swapped to maintain balance for LP minting, but for users the model is simple:

80% payout — 20% liquidity reinforcement.

3. Swap Fees

Swap fees are dynamic:

• Default: **0.3%**

• Minimal Range: **0.01% – 1%**

• Maximal Range: **1% – 10% = Current loan Fees**

• Based on trade size and gas pressure

Designed to reduce sandwich attacks and stabilize pair health.

4. Loan Fees

• Default: **5%**

• Configurable: **1% – 10%**

• Always >= swap fees

Loan fees are predictable and not impacted by volatility.

5. Repayment Logic

During the loan term, the borrower can repay the payout token. When the loan is repaid:

• The LP position associated with the loan is burned.

• The borrower receives back their initial deposit minus loan fees.

If the borrower does not repay within the allotted time window, the loan can be cancelled:

• The borrower forfeits the right to reclaim their initial deposit.

• Instead, they can withdraw the LP position linked to the loan and remain exposed to the pool through LP.

6. Governance

Governance controls:

• Loan duration (1–12 months)

• Loan fee (1%–10%)

• Swap fee range (0.01%–1%)

The community rules the protocol.

7. Vision

Palmyr stands for stability, fairness, and timeless efficiency, it provides a sanctuary against liquidation storms

while reinforcing liquidity pools with every loan.

Palmyr — engineered for modern DeFi.