



KUNAIKASH

Rethinking KUNAI emissions: what we're proposing and why

An on-chain review of our supply mechanics, and a proposal to change how KUNAI is emitted from 1 September 2026.

-4.85M

Net supply change
in year one

5.4M

Fewer tokens emitted
over five years

19% → 10%

Staking APR, stepped
down monthly

We've spent the past weeks going through KUNAI's supply mechanics line by line, using on-chain data rather than the projections we published at launch. What we found changed our thinking, and we want to put the whole picture in front of you before we act on it.

This post covers where we are today, what we're proposing to change from 1 September, what it gains, and, just as importantly, what it doesn't fix.

Where we are today

KUNAI staking currently pays 19% APR, following the schedule we published at launch: stepping down one point a year to 15%, then to 10% from year ten.

Alongside that, two mechanisms reduce supply.

The **stake-burn programme** committed 10 million KUNAI across five wallets, one of which is unstaked and burned each year. Two are done. Three remain, holding 2 million each.

The **node buyback** runs eleven validator nodes whose KLV rewards are used to buy KUNAI on the open market and burn it. This is the one part of our tokenomics funded from outside the token itself. No KUNAI is minted to pay for it.

We've also moved 4,027,846 KUNAI to the blackhole address over the years. Those tokens are permanently gone, which means our effective maximum supply is 145,972,153, not 150 million.

The problem we found

Two things became clear once we put real numbers against the model.

The stake-burn programme burns less than it appears to. The reserve is staked, so it earns rewards while it waits to be burned. Across the full five years we burn 10 million but mint 6.3 million in rewards along the way. The net reduction is 3.7 million, not 10 million. That was in our published table all along. The two columns were simply never netted against each other.

And the programme ends. After the third remaining burn, nothing offsets emissions except the node buyback. Under the current plan, annual net supply growth jumps from roughly break-even to over 1.6 million tokens a year. We drew that cliff into our own schedule five years ago without drawing what catches it.

The honest framing is this: at current staking levels, our node buyback covers about 7% of what we emit. We cannot buy our way out of that gap. Reaching full coverage would take roughly 149 nodes instead of eleven, which is not a realistic use of capital. The answer has to come from the emission side.

What we're proposing

Two changes, both effective from 1 September 2026.

One percentage point off the APR every month, from 19% down to 10%. Nine steps, reaching 10% on 1 June 2027. We're doing it gradually rather than in one move because a single nine-point cut is a shock while nine small ones are not, and because each step gives us a measurement point. If staking participation starts falling, we'll see it early and can pause rather than discover it at the end.

Unstake the remaining 6 million stake-burn reserve now and burn it in one transaction. Same tokens, same commitment, executed earlier. Because the reserve stops earning rewards the moment it's unstaked, this alone prevents 2.2 million KUNAI from being minted over the next three years.

What this gains

Against the plan as it stood, over five years:

	Current plan	Proposal
Net supply change, year 1	+738,000	−4,851,000
Total emissions over 5 years	10,481,000	5,097,000
Total burns over 5 years	6,494,000	6,494,000
Circulating supply after 5 years	38,075,000	32,690,000
Structural growth per year	+1,613,000	+947,000

The single number we'd point to: **we burn exactly the same amount in both plans.** The 5.4 million token difference comes entirely from emitting less. This costs us nothing extra. It is the same 6 million, moved earlier, plus a lower rate.

In practical terms, circulating supply drops from roughly 34.1 million to 29.2 million within the first month, and it takes close to seven years before it returns to where it stands today.

We've deliberately modelled five years rather than ten. Beyond that horizon the assumptions carry more weight than the arithmetic does, and we'd rather show you a shorter projection we can stand behind than a longer one that looks more precise than it is.

What this doesn't fix

We'd rather say this ourselves than have someone work it out.

Supply still grows after year one. At 10% APR the structural increase is around 825,000 tokens a year. Our buyback covers about 11% of that. The gap is smaller than before, but it's still a gap, and this proposal buys time rather than closing it.

The real work is on the revenue side. To hold supply flat at 10% APR we'd need to buy back roughly 17,800 KUNAI a week. We currently manage around 1,900. Closing that requires revenue running through the buyback that doesn't exist yet. That's the honest next problem, and we'd rather name it now than present this as a solution it isn't.

There is a plausible path, and we want to describe it accurately rather than lean on it. Our buyback is funded by KLV validator rewards, so it scales with activity on KleverChain. If the network grows, those rewards grow, and the amount of KUNAI we buy and burn each week grows with them without us changing anything. Adding nodes has the same effect.

But that is a variable, not a plan. It depends on a network we don't control, and we have no way to predict the timing or the size of it. Every figure in this post assumes the buyback stays exactly where it is today, at around 1,900 KUNAI a week. If it turns out higher, the numbers improve. We'd rather be wrong in that direction than build a proposal on growth we can't promise.

What we could lose

Stakers may leave. Cutting from 19% to 10% is a real reduction, and some holders staked at the higher rate. We think the gradual approach limits the damage, and current participation gives us room, but we can't promise nobody unstakes. If participation drops significantly during the step-down, we'll pause and reassess rather than push through.

Less yield for long-term holders. There's no way to present this otherwise. The tokens we don't emit are tokens stakers don't receive. What we'd argue is that yield paid from dilution isn't really yield, because it comes out of the value of what everyone already holds, including the stakers receiving it. Emitting less at a lower rate is, over time, worth more than emitting more at a higher one. But that's an argument, not a guarantee, and you're entitled to weigh it differently.

We're changing published terms. We committed to a schedule and we're proposing to change it before it ran its course. We think the reasoning holds, but we recognise that changing the rules mid-way has a cost of its own, and that cost is trust.

What happens next

Everything above is verifiable. The stake-burn wallets, the blackhole address, and the buyback transactions are all on-chain, and KleverScan now separates permanent blackhole burns from reversible contract burns so the numbers on the explorer match the numbers here.

We'll publish the burn transaction when it happens and the APR at each monthly step, so the schedule can be checked against reality rather than taken on trust.

Questions are welcome, including sceptical ones. If you find an error in our numbers, we want to know.

Figures measured on-chain as of 16 August 2026. Nothing here is a prediction about price, and nothing here is investment advice.