

# Talus: The Smart Agent Hub for the Web3 AI Era

Version: 1.0 (git:6b4f9227)

Talus Labs, Inc.

## ABSTRACT

In the rapidly evolving landscape of technology, the integration of artificial intelligence (AI) and blockchain represents a frontier yet to be fully explored. Talus emerges as a platform designed to bridge this gap, offering a purpose-built, high-throughput integrated L1 blockchain powered by the Move programming language and enhanced by a native AI Stack for agents to live, interact, and transact. It offers a decentralized smart agent hub within the web3 ecosystem. Our approach addresses key challenges of data privacy, security, and accessibility while also fostering a decentralized and verifiable protocol that encourages transparent and efficient interactions within the AI ecosystem. Embracing decentralization allows AI to fulfill its promise of sculpting a more equitable world. Talus represents a call to action for the global tech community to contribute to developing a decentralized future where AI and blockchain technologies work in harmony to unlock new possibilities.

## Contents

ABSTRACT .....	1
1. Introduction .....	2
1.1. Smart Agents and Blockchains .....	3
2. Foundations .....	4
2.1. Protocol .....	5
2.1.1. Protochain Node .....	5
2.1.2. Sui Move and MoveVM .....	5
2.1.3. IBC .....	5
2.2. Mirror Objects .....	6
2.2.1. Model Object .....	7
2.2.2. Data Object .....	7
2.2.3. Computation Object .....	7
2.3. AI Stack .....	7
2.4. Onchain Smart Agents .....	8
2.5. Verifiable AI Model Inference .....	9
3. An Economy of Smart Agents .....	10
3.1. Main characteristics .....	10
3.2. Unleashing Potential .....	10
4. Tokenomics .....	11
5. Applications .....	11
5.1. User Experience .....	11
5.2. Decentralized Finance (DeFi) .....	12
5.3. Decentralized Autonomous Organizations (DAOs) .....	12
5.4. Internet of Things / DePIN .....	12
5.5. Gaming / SocialFi .....	12
5.6. AI and Data Ecosystem .....	13
6. Conclusion .....	13

## 1. Introduction

Artificial Intelligence (AI) is the most transformative technology of the past decade. AI brings forth a revolution in data processing, decision-making, and automation. However, the utilization of AI often relies on centralized resources and computational power, raising concerns regarding the ownership, transparency, and permissionlessness of this technology.

- **Ownership:** The concern of ownership primarily revolves around the use and control of resources (data, algorithms, and compute power) by centralized entities. In a centralized AI system, these entities often accumulate vast resources, leveraging them for AI training and inference without explicit consent or adequate compensation to their owners. The challenge lies in ensuring that individuals have control over their resources, including knowing how they're being used, having the ability to opt out, and verifying that these entities have the right to utilize such resources for AI purposes.
- **Transparency:** Transparency in AI is crucial for building trust and ensuring fairness, accountability, and streamlined decision-making. However, the complexity of AI algorithms, especially those based on deep learning, makes it difficult for even their creators to understand how decisions are made. This "black box" problem is worsened in centralized systems, where entities often have little incentive to disclose the intricacies of their AI models. The lack of transparency makes it challenging for users to understand how decisions affecting them are made and complicates the auditing and verification processes, which are essential for ensuring the AI's fairness and ethical use.
- **Permissionlessness:** Centralized AI systems often offer users limited options and control over the services they use. These systems are designed and controlled by a single entity, leading to a one-size-fits-all approach that doesn't account for all users' diverse needs and preferences. Moreover, such systems can restrict access to resources or algorithms, preventing users from customizing or tweaking the services according to their specific requirements. The challenge here is to increase the flexibility of AI systems, allowing for more user customization and the ability to choose from a broader array of options, thereby reducing dependency on preset choices dictated by central authorities.

This raises a vital question: Is it possible to create a protocol where ordinary individuals can participate in the AI revolution in a decentralized and trust minimized manner?

The optimal approach to constructing such a decentralized protocol involves utilizing blockchain technology due to its unique attributes:

1. **Sovereign Infrastructure:** well-designed blockchain protocols provide a fault-tolerant distributed execution engine alongside an immutable audit trail. Moreover, the inherent nature of decentralization is embedded within these protocols and is protected through governance mechanisms. Such a foundation is crucial for fostering a reliable ecosystem that can immutably record activities in a trust-minimized and transparent manner.
2. **Incentive Alignment:** blockchain architectures can drive economic value with sound incentive mechanisms via native assets. Moreover, the programmability of these systems allows for applications to leverage such native assets, issue new digital assets with desired properties, and define their own native asset and incentive structures for their users. This feature is crucial for protocols and innovative business models seeking to establish fair pricing and reward distribution mechanisms for customized goods and services.
3. **Transparency and Composability:** blockchain technology offers open access to its users and to its application developers. Applications built and deployed on blockchain platforms inherit transparency and composability. These abilities enable an ecosystem where applications interact without friction, promoting innovation and availability.

4. **Cryptographic Compatibility:** blockchains leverage advanced cryptographic techniques to provide security, verifiability, and programmable privacy. These technologies enable the deployment of various cryptographic protocols, like verifiable computation and identity, to meet privacy and security requirements. Digital marketplaces must address issues related to delivery and payments, necessitating a range of cryptographic protocols, such as identity models, commitment schemes, and proof schemes.

### **1.1. Smart Agents and Blockchains**

Smart agents, sophisticated computer programs designed to operate autonomously, will revolutionize human interactions with digital ecosystems. These agents, equipped with the ability to perceive their environment, analyze data, and act to achieve specific objectives, will be able to execute a large number of onchain tasks. Their capabilities extend to decision-making, planning, and executing tasks in collaboration with humans or other agents.

Smart agents enhance various aspects of business, consumer experiences, and society by delivering significant value. For example, smart agents can enable users to autonomously manage their portfolios, entertain, provide personalized online experiences, evaluate DAO members and voting decisions, analyze anomalies in data, find security vulnerabilities before signing transactions and much more.

Blockchain technology emerges as a critical enabler for these smart agents, offering a robust infrastructure that supports their operation and enhances their effectiveness. The properties provided by blockchains are:

- **Alignment:** Blockchain applications' openness and composability make it easier to see, track, and credit AI agents' actions. This is important for fairly sharing rewards and ensuring AI systems act in ways that match their intended purposes.
- **Safety:** Blockchains are designed to be secure and trustless, in adversarial environments, where a lot of value is at stake. When onchain AI agents use smart contracts to interact, they gain these secure features because smart contracts help limit what these agents can do and establish rules for their actions.
- **Discovery:** Blockchains' open nature makes it easier for users to find the most suitable AI agents based on verifiable past performance records. These records also allow agents to build a trustworthy reputation from their actions, which can help rank and discover the best agents for a given task.
- **Autonomy:** Blockchain infrastructure enables smart agents to interact autonomously by allowing them to execute consequential decisions that are impossible in traditional centralized infrastructures without direct human intervention, while retaining a lower cost basis.
- **Control and Privacy:** Blockchain technology lets users manage their AI agents without needing a middleman. Blockchains can also use cryptographic protocols to help users control and verify the accessibility of their data.
- **Ownership and Fairness:** Blockchain can split the ownership and control of smart agents among multiple actors. The revenue generated by these agents can be equally and fairly shared. Fairness can be measured and improved via both protocol upgrades and democratic governance.

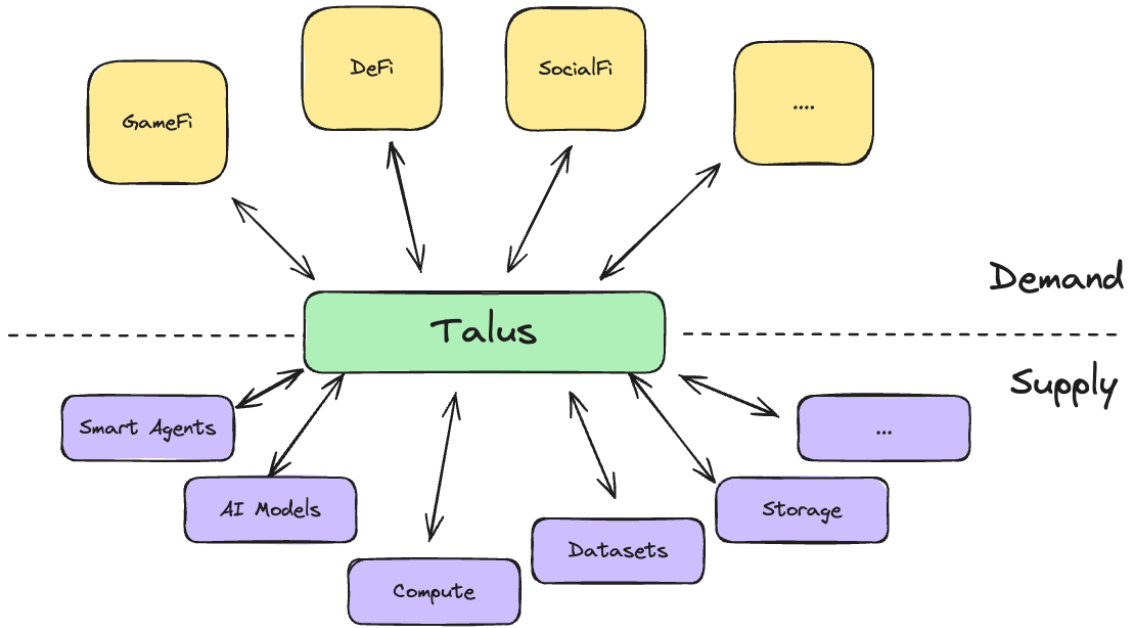


Figure 1: Decentralized AI (DeAI) with Talus.

We propose Talus as a solution to the challenges outlined above. Talus is a tailor-made blockchain that allows for the native design and deployment of decentralized, onchain smart agents, leveraging both onchain and offchain resources and services seamlessly, trustlessly, and interoperably. It establishes a protocol where these agents, resources, and services can be represented, utilized, and traded in a permissionless and verifiable manner. Talus is uniquely positioned as the economic convergence of AI and blockchains, where participants can build a new economy of AI-enabled applications from a common protocol of accessible resources. This vision is presented from a high-level, supply-and-demand business point of view in Figure 1.

## 2. Foundations

Our general approach boils down to a combination of a) choosing best-of-breed existing components and b) developing the necessary innovations from scratch. Talus' layered blockchain architecture is shown in Figure 2.

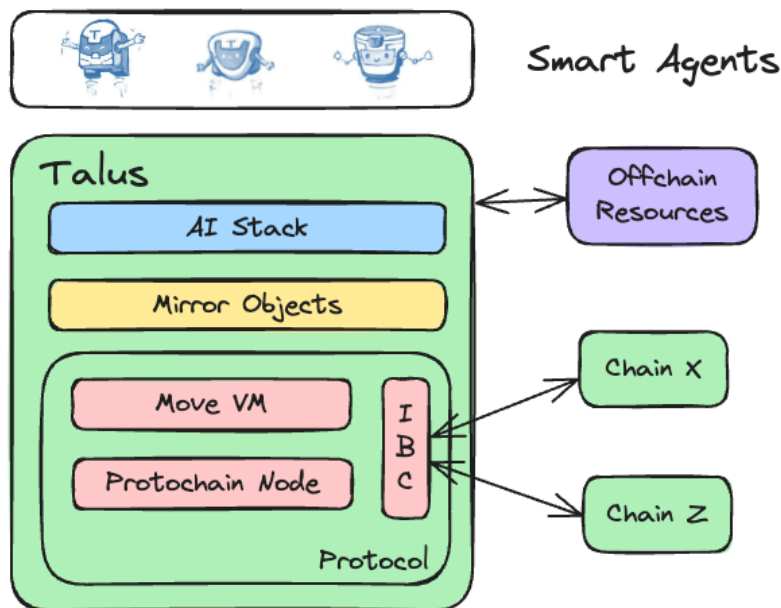


Figure 2: A layered view of the Talus blockchain architecture.

## 2.1. Protocol

Protocol is the heart of Talus. It provides the consensus, execution, and interoperability foundation on top of which one builds onchain smart agents, utilizing offchain resources and functionality across chain boundaries.

### 2.1.1. Protochain Node

*Protochain* is the codename for our Proof-of-Stake (PoS) blockchain node, powered by Cosmos SDK and CometBFT. Cosmos SDK has proven to be flexible, robust, and performant, and together with CometBFT offer a secure and scalable solution. Adopting a proven technology for the blockchain backbone immediately solves a core architectural problem, and gives us the opportunity to concentrate more effort on the unique value proposition of Talus. Our node inherits the modularity characteristics from Cosmos SDK and so it streamlines innovation by providing clear internal interfaces, extension points, and workflows.

### 2.1.2. Sui Move and MoveVM

The strategic decision to utilize Sui Move as the smart contract language is underpinned by its high-performance characteristics, security, and program design properties such as:

- **Onchain Logic Security:** Move's design inherently enhances security by removing critical vulnerabilities like re-entrancy, missing access control checks for object ownership, and accidental arithmetic overflow/underflow. This simplifies the development of secure protocols for managing valuable resources, which is critical for onchain logic.
- **Flexible Object Model:** By treating objects as first-class citizens, Sui Move simplifies the process of creating, transferring, and managing digital assets, leading to more expressive and efficient smart contracts. Objects are a unifying abstraction throughout the stack with native ownership, mutable traits, display, and transferability, which enables a more direct implementation of AI resources.
- **High-Performance:** MoveVM's architecture supports efficient concurrency, enabling Talus to scale by processing multiple transactions simultaneously without losing security or integrity. In a world where hundreds of thousands of agents will be interacting with each other, it is crucial to maintain optimal performance and prevent the protocol from getting congested.

### 2.1.3. IBC

As a consequence of choosing Cosmos SDK, we can easily use and build on other critical components, such as IBC, the Inter-Blockchain Communication protocol, for which we observe renewed interest in other ecosystems as well. Specifically in our context, IBC offers a unique and powerful approach to enhancing the capabilities of the natively supported smart agents across several dimensions:

- **Enhanced Interoperability:** IBC facilitates seamless interoperability between different blockchains, allowing smart agents to interact with and utilize data or assets across multiple chains. This interoperability is crucial for smart agents that require access to diverse sets of information or need to execute operations across different blockchain environments.
- **Atomicity Across Chains:** IBC supports atomic transactions across chains, ensuring that operations initiated by smart agents are either completed successfully or reverted back without any impact, even when these operations span multiple blockchains. This atomicity is vital for maintaining consistency and reliability in operations conducted by smart agents, particularly in financial applications or complex workflows.
- **Scalability Through Sharding:** By enabling smart agents to operate across multiple blockchains, IBC indirectly supports scalability through sharding. Each blockchain can be

considered a shard that processes a portion of the transactions, reducing the load on any single chain. This allows smart agents to manage and execute tasks in a more distributed and scalable manner.

### **i** Math teaser

- Consider a smart agent built on Talus utilizing  $N$  blockchains  $\{B_1, B_2, \dots, B_N\}$  connected via IBC, where  $B_1$  represents Talus.
- Each blockchain  $B_i$  can process  $T_{B_i}$  transactions.
- The total processing capacity is the sum  $\sum_{i=1}^N T_{B_i}$

- **Customizability and Specialization:** With IBC, different blockchains can specialize in specific functionalities or optimizations. Smart agents can leverage these specializations by interacting with the most suitable chain for a particular task, thus optimizing their performance and efficiency. For instance, a smart agent might use a chain optimized for fast transactions for payment processing and another chain specialized in secure data storage for record-keeping.
- **Security and Isolation:** IBC maintains security and isolation between chains, which is beneficial for smart agents that handle sensitive operations or data. Since IBC ensures that communication and transactions between chains are securely verified, smart agents can confidently operate across chains without compromising on security.

### Going Even Further

The Protocol components, as outlined above, work together in a high cohesion setup. The functionality of each one is clearly defined and separated. At the same time, the unique characteristics of onchain smart agents require innovations for richer and more efficient communication patterns. For instance, we are making event propagation and handling even more native, bringing it closer to the Protocol, and making agent interactions straightforward. In essence, we close the gap between onchain and offchain, while being careful to not compromise security.

## 2.2. Mirror Objects

In the context of the protocol that Talus both enables and provides, resources, services, and smart agents are ready to be consumed and traded. The question arises: How is the offchain world represented in the onchain architecture? The answer to this is what we call *Mirror Objects*. Mirror objects serve as the representation and as the link to providing fundamental functionality, such as: resource uniqueness representation and proof, tradeability of the offchain resources, ownership proof representation or verifiability of ownership. With mirror objects the offchain world is, in a sense, “reflected” onchain. Talus stores mirror objects in a corresponding Mirror Object Registry.

A mirror object bridges the gap between the computationally intensive nature of AI processes and the blockchain environment. Given the impracticality of conducting complex AI computations directly on the blockchain, Talus orchestrates the exchange and verification process for transactions involving onchain assets and their corresponding offchain AI resources.

Upon creation, a Mirror Object’s details are transferred to its owner, thus establishing clear ownership and management rights. These Mirror Objects are more than mere representations; they are virtual commitments to corresponding offchain objects that can be used for AI operations. This digital twin framework allows the objects to act as a proxy for a variety of powerful and complex AI services, from nuanced language processing to advanced model training.

Once created, owners have the discretion to orchestrate the objects' transfer or implement authorization parameters, thereby offering access rights for use and purchase. When an authorization is proposed, the owner initiates a confirmation process, substantiating the transaction to finalize the payment. To streamline access, the owner may implement an off-chain service that responds to requests by automatically provisioning time-bound access commitment encrypted with the buyer's negotiated key. Alternatively, should the owner opt not to grant authorization, they retain the ability to either transfer full ownership or open up the mirror object, effectively relinquishing their exclusive claim and allowing communal access to its offchain counterpart.

Three different types of mirror objects that have significant business and modeling values are: the model, data, and computation objects respectively. These three types of mirror objects are the ones we analyze but the variety of these assets are possibly infinite.

### 2.2.1. Model Object

Model owners have the ability to introduce their AI models into the ecosystem through a dedicated model registry. This process transforms the AI model into what is known as a Model Object: a digital representation that encapsulates the essence and capabilities of the model with ownership, management and monetization frameworks directly built on top. The Model Object is a flexible asset that can undergo additional finetuning processes to sharpen it's abilities, or if necessary, be entirely reshaped through extensive training to meet specific needs.

### 2.2.2. Data Object

The Data (or Dataset) Object acts as a digital form of a unique dataset that someone owns. This object has different capabilities enabling it to be created, transferred, authorized, or converted to an open data source. The creation of a Data Object requires a commitment of the dataset and a demonstration to the verification contract of its secure storage. The contract cross-references the registry to ensure the data's uniqueness, subsequently authenticating the claim and establishing the object.

### 2.2.3. Computation Object

The Computation Object is similar to the Data Object, with the key distinction being its integration of a verifiable computation program instead of an authorization. Here, the buyer proposes a computational task to the object's owner, who then delivers the computation result along with a corresponding proof. To ensure integrity, the buyer holds a negotiated key which can be used to decrypt the commitment and verify the result. If discrepancies arise, suggesting that the seller has been dishonest, the buyer can utilize this key to demonstrate the inaccuracy of the computation. If the computation is validated, both the buyer and the Computation Object owner proceed to the next step of their transaction.

## 2.3. AI Stack

One builds Talus smart agents using our *AI Stack*. As part of the AI Stack, we provide an SDK and integration components for offchain resources and Oracles.

- **SDK:** If one understands what `web3.js` or `ethers.js` are on Ethereum, then it is a good basis to understand what our SDK does. The Talus Software Development Kit (SDK) embraces the whole vision of Talus and provides libraries across systems and programming language boundaries. For instance, in addition to libraries that unlock web application development on top of Talus, we also provide foundational data models and smart contracts as building blocks for smart agents. As an example, if one wishes to build verifiable, LLM-based chatbots, then Talus SDK gives you the necessary onchain APIs and domain models.
- **Integration Components:** The Talus AI Stack helps smart agent developers use the needed offchain resources in a frictionless way. It does so by offering first-class support for foun-

dational use-cases that require offchain interaction, such as interfacing with LLMs. We also provide first-class support for interfacing with Oracles. This means both integration with specific Oracle networks, and the necessary building blocks to build new integrations in the future, based on community demands.

## 2.4. Onchain Smart Agents

Talus' core offering is the smart agent economy. The need to build decentralized intelligent applications is increasing. Doing this at scale while addressing the challenges we have already explained, requires rethinking of what these applications look like and how we build them. Talus borrows the concept of a Smart Agent and elevates it to a blueprint for such applications. In essence, we argue that the most general dApp of the emerging economies looks like an onchain Smart Agent (Figure 3). Let us unpack this by analyzing some of the defining characteristics of Smart Agents, which Talus re-interprets in a web3-native way: *autonomy*, *social ability*, *reactivity*, and *proactivity*.

**Autonomy:** *Smart agents operate without the need for constant human guidance, making decisions based on their programming and learning.*

Leveraging the trustless nature of smart contracts in a blockchain makes decision making auditable and fully transparent. Newer concepts like Account Abstraction are spreading to chains beyond Ethereum, and can lead to the desired autonomy in a more natural way. Learning, for instance in the form of training Large Language Models (LLMs) or other AI Models, is costly and traditionally happens offline, so what Talus provides is the ability to bridge with the offchain world, where training and computation can be offered as resources. Furthermore, the integration happens in a verifiable, and fully auditable way.

A question can be: how much autonomy is needed in order for something to be classified as a Smart Agent? Talus does not prescribe levels of autonomy. It provides the most general environment where that level is decided by the respective stakeholders. What is important here is that Talus takes into account the full spectrum of possibilities and can accommodate the respective needs of its participants.

**Social Ability:** *Smart agents can communicate with other agents (including humans) to complete tasks or achieve goals.*

In Talus, onchain communication happens directly through transactions and smart contracts. In addition, we can accommodate other interactions through use-case-specific UIs and Oracles, all accessible through the SDK. Furthermore, Smart Agents can communicate with one another, enabling compositional and complex behaviors. Therefore, the *Social Ability* of a Talus Smart Agent is significantly enhanced across all directions and at any level of granularity.

**Reactivity:** *Smart agents perceive their environment and respond in a timely fashion to changes.*

Talus supports reactive smart agents through listeners that respond to onchain and offchain events. Here, the role of Oracles is critical as they serve as bridges between the blockchain and the external world, which smart agents can use to make informed decisions and react to offchain events. In addition, we explore ways to make agent interaction more efficient by handling events in a more native way at the Protocol level.

**Proactivity:** *Beyond responding to situations, smart agents can take initiative based on goals, predictions, or the anticipation of future states.*

Smart agents can analyze trends and patterns within both the blockchain and external data to predict future states and execute transactions or adjustments ahead of time. For instance, in DeFi, a smart agent might pre-emptively rebalance a portfolio based on predicted market movements, securing better positions before shifts occur.



Proactive smart agents in blockchain ecosystems pursue predefined objectives, optimizing transactions for criteria like energy efficiency or adjusting network parameters. They strategically plan for various scenarios, as seen in supply chain management where agents secure resources ahead of demand spikes using predictive analytics. These agents autonomously initiate, negotiate, and finalize contracts, responding to market conditions or inventory levels. They learn and adapt from experiences, continuously improving effectiveness through machine learning and data analysis.

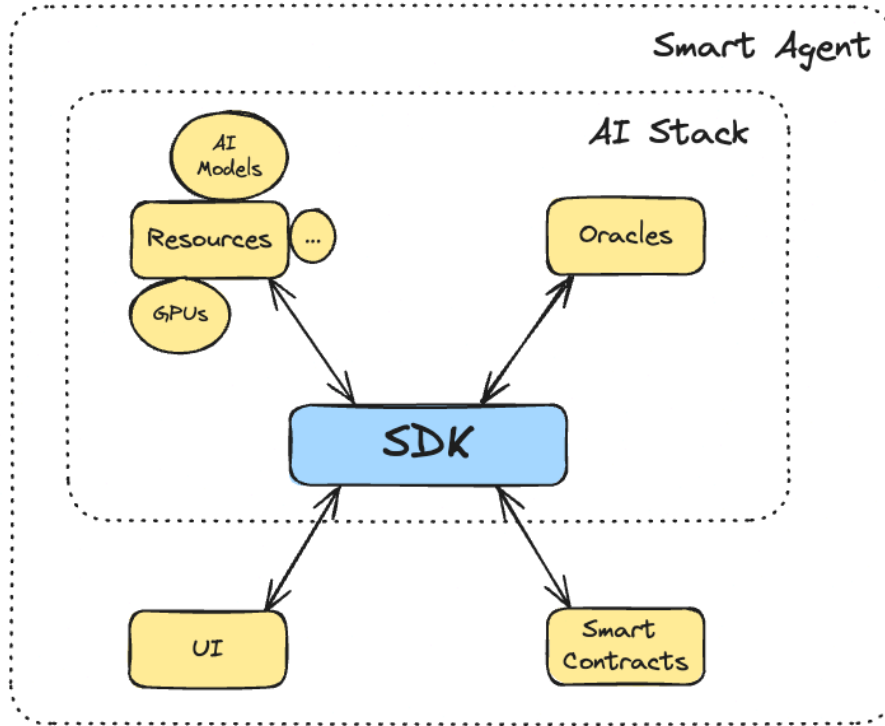


Figure 3: Smart Agent blueprint

### 2.5. Verifiable AI Model Inference

Smart agents on Talus can offer different verifiability capabilities suited for the specific needs of developers or the use-case at hand. For instance, use-cases such as a highly interactive prompt-and-response user experience, require low latency. Subsequently, it may be advantageous for the verifiability mechanism to follow the user experience latency requirements. In such a case, a digital signature scheme or a zero knowledge proof (ZKP) can have faster finality than optimistic fraud proofs (OFP). In other cases, more game-theoretic approaches can be taken, where verifiability becomes an incentives game. All these can also be combined in layered approaches.

We briefly mentioned latency as an example but there are other concerns as well. For instance, the computational cost of a ZKP approach could become a heavy constraint that is justifiable only in high-stakes environments, like healthcare and finance. In any case, Talus is open to any such approach and their combinations. We let application developers and communities pick their constraints and we provide them with the appropriate tools.

The following table briefly summarizes potential concerns along with respective approaches.

Concern	Approaches	Considerations
<b>Security/Integrity</b>	Digital Signatures, ZKPs	Key management, computational complexity. ZKPs offer stronger security but at greater computational cost.
<b>Privacy</b>	Homomorphic Encryption, ZKPs	Significant computational overhead impacting latency and scalability.
<b>Scalability</b>	Digital Signatures, Optimistic Fraud Proofs (OFPs)	Digital signatures offer good scalability. OFPs can help manage costs.
<b>Latency/UX</b>	Digital Signatures	Minimizing user interaction with complex verifications enhances experience.

### 3. An Economy of Smart Agents

The combination of technologies, services, protocols and standards that make up Talus enable an economy where entities, including smart agents, can be traded according to prescribed rules.

#### 3.1. Main characteristics

Here are the main characteristics and unique aspects of what Talus offers:

- **Smart Agent Centric:** Unlike traditional blockchain environments, where smart contracts are passive and execute based on transactions, our protocol emphasizes smart agents that can act autonomously, making decisions, initiating transactions, and interacting with both onchain and offchain resources based on their programming and goals.
- **Resource Fluidity:** Resources are not limited to onchain assets like tokens or data. Instead, computational power, storage, and even external APIs or data feeds become seamlessly accessible to smart agents through integrations. This eliminates the friction that is often encountered in traditional blockchain systems when attempting to access or utilize offchain resources.
- **Universal Marketplace:** In our ecosystem, computational resources, smart agents, services, data, or traditional assets can be traded. This universality creates a highly liquid environment where assets can be rapidly and efficiently allocated to where they are most needed, driven by market dynamics.
- **Dynamic Pricing and Allocation:** Dynamic pricing mechanisms can be implemented given the tradeable nature of resources and services. Prices for computational resources, data access, or smart agent services can fluctuate based on demand and supply, ensuring efficient market operation and resource allocation.
- **Cross-Chain Integration:** The ability for smart agents to interact with both onchain and offchain resources, coupled with the native support for IBC, allows for a high degree of interoperability. This opens up possibilities for cross-chain transactions and interactions, broadening the ecosystem's reach and functionality.

#### 3.2. Unleashing Potential

By seamlessly integrating smart agents, computational resources, and a broad spectrum of tradable assets and services, this environment fosters a dynamic protocol and creates an ecosystem where autonomous decision-making, resource allocation, and interoperability are greatly improved. This framework aligns with the principles of decentralization and open economic models, offering a robust foundation for future blockchain developments and applications. Here are some reasons we believe our approach is favorable:

- **Efficiency and Scalability:** By making resources and services fluidly available and tradeable, the protocol can achieve high efficiency in resource allocation. Smart agents can scale their operations dynamically, acquiring more computational power or data as needed directly from the protocol.
- **Innovation and Service Diversification:** The smart agent-centric approach encourages the development of diverse services and applications. Developers can create highly specialized agents offering unique services, fostering innovation within the ecosystem.
- **Economic Incentives:** The protocol creates a clear economic model for contributing and consuming resources. Providers of computational resources, data, or smart agent services can earn rewards, driving participation and growth in the ecosystem.
- **Decentralization and Autonomy:** By decentralizing the availability and trade of resources and services, you reduce reliance on centralized providers. This enhances the blockchain's autonomy and resistance to censorship or control.
- **Interoperability and Flexibility:** Seamlessly integrating and interacting with off-chain resources and across blockchains enhances the ecosystem's flexibility. It allows smart agents and their services to be more relevant and adaptable to real-world applications.

## 4. Tokenomics

The TAI token fuels the Talus ecosystem. It serves as the sole currency for all transactions, including the smart agent usage, the purchase and trade of resources, network staking for security and consensus, and governance. This approach fosters a thriving community of developers, investors, and users. The objective is to have them coordinate and benefit from the ecosystem's growth, powered by the TAI token.

The TAI token is not just a native currency. It's central to Talus' economic strategy, incentivizing platform development and active participation through the provision of AI resources. The tokenomics structure rewards the different resource providers and blockchain node runners, creating a balanced marketplace. Resource providers receive TAI tokens for their contribution to the network whether in compute, data, or models. This ensures that the ecosystem's most valuable contributors are recognized and rewarded, enhancing the overall quality and utility of the platform. For developers, TAI tokens simplify access to these resources, enabling project expansion. They're also rewarded for innovative models, fostering a community that values creativity.

Talus' economic system, powered by TAI, aims to achieve self-sufficiency. Namely, transaction fees, resource allocation, and rewards all occur with the TAI token, creating a circular economy that reinvests value back into itself. As the demand for smart agents and AI resources rises, so too does the value of the TAI token, benefiting all participants. This interconnected approach ensures a vibrant and sustainable ecosystem where the value of digital assets created on-chain accrues directly to TAI, fostering a dynamic environment of innovation and growth.

## 5. Applications

Given the unique capabilities of Talus, especially with its focus on smart agents, seamless resource integration, and a universal protocol, several application *areas* stand out as particularly well-suited. Within each area, we briefly mention ideas for further application development. The list of the areas as well as the respective ideas within each area are indicative.

### 5.1. User Experience

In a similar way to how information access and navigating the web is undergoing a transformation by interacting with LLMs via conversation and prompts, the UX for interacting with

the blockchains will fundamentally change. Talus aims to be at the core of this revolution with autonomous agents.

- Smart Wallets for Risk or Anomaly Detection
- Smart Analytics for Projects and Portfolios
- Onchain Monitoring of Transactions and Assets
- Smart Blockchain Explorers

## **5.2. Decentralized Finance (DeFi)**

The protocol's ability to facilitate the trading of diverse assets and resources, including computational power and data, could revolutionize DeFi applications by enhancing liquidity, enabling complex financial instruments, and improving risk management through more sophisticated and autonomous smart agents.

- AI Optimized Liquidity Management (Automated Liquidity Balancers)
- Automated Onchain Index Funds
- AI-driven Portfolio Tracker
- Improved aggregation and routing for swaps
- Smart Intent-Based Matching System

## **5.3. Decentralized Autonomous Organizations (DAOs)**

Talus enables DAOs to operate more autonomously and efficiently by leveraging smart agents for governance, automated decision-making, and resource allocation. These organizations could dynamically purchase computational resources or services as needed, enhancing their adaptability and efficiency.

- Automated Treasury Management
- AI-driven Governance for DAOs
- AI DAO Workers
- Recommendation engine for finding DAO contributors

## **5.4. Internet of Things / DePIN**

IoT devices require seamless interaction and transactions. Smart agents on Talus can autonomously manage IoT ecosystems, conducting transactions, managing energy resources, or purchasing bandwidth, all while ensuring the security and efficiency of decentralized networks.

- Autonomous IoT Agent Marketplaces
- Intelligent Maintenance Scheduling
- Decentralized Device Identity Verification
- Medical Diagnostics with Private Data
- Fleet Routing and Supply Chain Optimization Agents

## **5.5. Gaming / SocialFi**

The integration of smart agents and a resource protocol makes it an ideal fit for entertainment and gaming by enabling dynamic, interactive experiences tailored to individual users. Smart agents can adapt content in real time, manage decentralized virtual economies and their assets, ensure fairness, and facilitate cross-platform interoperability. This environment fosters community-driven governance and innovation, enhancing player engagement and satisfaction. The autonomy and transparency provided by blockchain technology, combined with AI-driven personalization, create a more immersive and equitable gaming world.

- Personalized Onchain Storyline Generation
- AI-Enhanced Virtual Economy Management
- AI NPCs (Non-Player Characters) as Smart Agents

- Agent-to-Agent social networks
- Deep fake detection

## **5.6. AI and Data Ecosystem**

For the AI and data ecosystem, Talus serves as an ideal backbone, promoting secure data sharing, collaborative development, and equitable monetization. It facilitates a unique collaborative environment between model developers and data providers, governed by smart agents to ensure fairness and transparency. The protocol for computational resources democratizes access to high-powered computing, crucial for AI research and development. Moreover, the platform supports a dynamic protocol for AI models and services, fostering innovation and accessibility in the AI field, making it an essential tool for developers and businesses alike.

- Collaboration between Model Developers and Data Providers
- Monetization of Specialized Models
- Utilization and Monetization of Data and Compute
- Crowd-Funding Models for R&D

## **6. Conclusion**

In conclusion, Talus emerges as a transformative platform, harnessing the synergies between AI and blockchain technologies to redefine the paradigms of decentralized digital ecosystems. By introducing a purpose-built, high-throughput blockchain architecture, enhanced by a native AI Stack, Talus offers an innovative solution to the challenges of data privacy, security, and accessibility prevalent in traditional AI and blockchain implementations. The platform's unique approach to decentralization ensures transparent and efficient interactions within the AI ecosystem and broadens the potential for AI integration across various industries, making it a stepping stone for a more equitable and autonomous digital future.

Furthermore, Talus' strategic design for the deployment of smart agents and the incorporation of an advanced interoperability protocol exemplify a forward-thinking vision that aligns with the increasing demands for scalability, flexibility, and user-centric services in the tech industry. As a hub for decentralized smart agents, Talus enables a seamless, trustless, and interoperable environment where digital agents, resources, and services can be traded and utilized in a permissionless manner. This sets a new standard for the creation and operation of decentralized applications, positioning Talus at the forefront of the next wave of digital innovation and inviting communities to contribute to a decentralized future where AI and blockchain work together to unlock unprecedented possibilities.