SafeMoon: New Dogecoin or Ponzi scheme?

A new cryptocurrency is getting ready for a shot at the moon like Dogecoin, Bitcoin and Ethereum. But is it really primed for prominent success?

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Launched in March 2021 and having racked up more than one million users already, SafeMoon is a blockchain-based cryptocurrency similar to Dogecoin, Bitcoin and Ethereum, but with a few key differences.

The founders noted some key issues with many digital currencies that they wanted to fix, such as price volatility. To discourage day-trading, which sometimes causes great price fluctuations, SafeMoon will reward long-term holders by imposing a fee of 10% on each sale. Half of these fees will be distributed to existing coin owners, in the form of a dividend paid in additional coins.

While it is still very unclear what SafeMoon will allows investors to do, the selling fee discourages people from selling. You are simply paid extra to hold.

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“The goal here is to prevent the larger dips when whales decide to sell their tokens later in the game, which keeps the price from fluctuating as much,” SafeMoon explained in a

company whitepaper. Whales is the phrase for large holders of a coin.

Additionally, the company decided to opt for manual burns instead of continuous burning, i.e. burning being the destruction of coins to add scarcity and thus value to the currency. SafeMoon believes that manual burning will give them more control of the coin's supply and price.

SafeMoon's price

According to CoinMarketCap, the SafeMoon Coin is worth $0.000005084 as of this writing, up from its $0.0000000010 launch value. Its current market cap has fluctuated between just under $3 billion and nearly $4 billion.

Of course, these numbers are far from making it one of the top cryptocurrencies like Dogecoin – it is #202 in the top cryptocurrencies ranking as I write this – but it is already attracting a lot of attention, as it is relatively inexpensive and offers a new function to reward holding. Remember, even our favourite dog currency started off at a small price before shooting for the moon.

Who is behind SafeMoon?

We know little about the creators of SafeMoon, except that there are six leaders. The CEO is a man named John Karony who used to be an analyst for the U.S. Department of Defense. SafeMoon's CTO, Thomas Smith, has spent the last two years working with multiple blockchain and DeFi organizations. The COO, Jack Haines-Davies, has only listed company names on his LinkedIn profile, though none of them seem to have a website explaining their purpose.

What is next for SafeMoon?

The project laid out a roadmap for the year. The first quarter let SafeMoon double the size of its team and start working on a marketing campaign. The next steps in the plan are the development of an app – though it is still unclear for what purpose aside from facilitating SafeMoon trading – a wallet and some games.

SafeMoon is also looking to be listed on major cryptocurrency exchanges like Binance. Additionally, they would like to build their own exchange – where they would offer NFTs –, keep expanding their teams and open offices on the old continent. The last half of the year will be dedicated to finish the SafeMoon exchange and open an office in Africa.

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Critics of the SafeMoon project

The project does have its critics, though. For example, SafeMoon owns more than 50% of the liquidity and refuses to fix it. What is preventing them from selling everything and creating a rug pull, making it impossible for other traders to sell? All funds would be lost, and we would only be witness to an exit scam.

SafeMoon has also been compared to Bitconnect, which turned out to be nothing but a Ponzi Scheme, where any profits made in the future would be based on someone paying more for the token than you did further down the line. This would mean that early adopters would be the main beneficiary of the system, leaving only the scraps for late joiners. As cryptocurrency investor and influencer Lark Davis said: “Remember, just because you make money off of a Ponzi does not change the fact that it is a Ponzi.”

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