

NIM, CaaS, and Authentica Invest: Next-generation incentives for copyright investment

The incentive model for New Internet Media's Copyrighted-as-a-Service (CaaS) and the Authentica Invest proposal is fundamentally reshaping the landscape for copyright owners, investors, and the broader creative economy. This transformation is driven by a convergence of regulatory tailwinds, advanced blockchain infrastructure, and artificial intelligence-driven copyright management, all within a legal and operational framework designed for transparency, efficiency, and sustainable returns.

Incentive structure and market context

The CaaS platform, integrated with Authentica Invest, offers a dual-benefit structure. First, it enables copyright owners to monetize their royalty streams through time-restricted licensing without relinquishing ownership. Second, it democratizes access for investors by lowering entry barriers, providing fractional exposure to music royalties, and introducing liquidity and arbitrage mechanisms previously unavailable in the sector.

This model is especially timely given recent regulatory changes and tax incentives, such as the restoration of 100% bonus depreciation, the extension of Opportunity Zones, increased pass-through deductions, reduced foreign investor taxes, and the restoration of R&D and interest deductibility. These changes make intellectual property-backed investments even more attractive, offering both immediate and long-term tax advantages to domestic and international investors.

Legal and operational architecture

Authentica Invest operates through a dual-entity structure:

- The Authentica Invest Association, a Swiss non-profit, sets the mission and governance for transparent, time-restricted licensing models.
- Authentica Invest LLC, a Wyoming Series LLC with DAO governance, acts as the copyright investment fund, issuing asset-backed digital tokens (AIPi) that represent beneficial interests in royalty portfolios.

This structure ensures robust risk management, regulatory compliance, and asset protection while enabling the creation of legally segregated investment series for targeted exposure.

Technology-driven incentives

The core incentive for investors is the ability to earn sustainable, passive income from diversified portfolios of royalty streams, with projected annualized returns of 14–25%, compared to 4–8% for traditional copyright funds.

This is achieved through:

- AI-powered enforcement and royalty optimization, increasing recovery rates and reducing administrative costs to as low as 3–5% of royalties.
- Blockchain-based smart contracts that automate royalty collection and distribution, enabling near real-time settlement and transparent auditability.
- Tokenization of royalty streams, using ERC-3643 for permissioned access and ERC-4626 for yield-bearing vaults, allowing for fractional ownership, secondary market trading, and enhanced liquidity.

Arbitrage and dynamic portfolio management

The CaaS model introduces sophisticated arbitrage strategies that leverage blockchain and AI to exploit inefficiencies in global royalty markets. Investors can:

- Participate in duration arbitrage by holding short-term and long-term contracts.
- Invest against generative AI risks by balancing exposure between AI training data licenses and derivative-resistant catalogs.
- Capture cross-border royalty arbitrage opportunities by exploiting regional disparities in collection efficiency.
- Trade on cultural momentum, using machine learning to anticipate viral trends and adjust portfolio positions accordingly.

These strategies are supported by real-time analytics, semiannual buyback options, and dynamic rebalancing, which further enhance yield and risk-adjusted returns.

Vesting and alignment mechanisms

To ensure long-term alignment between investors and project development, Authenta Invest offers two implementation strategies:

- **Direct launch:** Immediate token distribution and liquidity, suitable for projects with established royalty streams and investors seeking instant exposure.
- **Vesting scenario:** Time-locked token release over a multi-year schedule, aligning investor interests with project milestones, reducing volatility, and attracting institutional capital.

Both approaches are underpinned by automated compliance, KYC/AML verification, and comprehensive reporting, ensuring regulatory confidence and operational integrity.

Strategic partnerships and scaling potential

The integration of NIM's white-label infrastructure with institutional partners positions the platform for global scalability. This collaboration brings institutional-grade settlement, regulatory compliance, and access to deep pools of capital, unlocking billions in untapped royalty value across music, video, text, images, and software.

The NIM CaaS and Authenta Invest incentive model creates a new paradigm for copyright monetization and investment. By combining regulatory advantages, advanced technology, and

innovative financial engineering, it delivers superior returns, enhanced liquidity, and robust risk management for all stakeholders. This model not only addresses long-standing inefficiencies and asymmetries in the music industry and beyond but also establishes intellectual property as a dynamic, tradable financial asset class for the next generation of investors and creators.

Authenta Invest tokenization

Tokenization is the core mechanism that enables Authenta Invest to maximize passive income for investors by transforming copyright royalty streams into accessible, liquid, and yield-generating digital assets. Through the issuance of AIPI tokens, the platform unlocks a range of financial, operational, and technological advantages that fundamentally reshape the economics of copyright investment.

Key roles of tokenization in maximizing passive income:

1. Fractional ownership and democratized access

Tokenization enables the division of copyright royalty streams into standardized digital tokens, allowing for fractional ownership. This lowers the traditional barriers to entry, allowing a broader pool of investors to participate with minimum investments as low as a few hundred dollars, rather than the millions typically required for direct copyright acquisition. This democratization expands the investor base and enhances liquidity.

2. Automated, real-time royalty distribution

AIPI tokens are engineered with smart contracts that automate the collection and distribution of royalties. As revenue is generated from licensed content, the smart contract treasury allocates funds directly to token holders in near real-time, often within seconds. This automation eliminates delays, reduces administrative overhead from industry norms of 15–25 percent to just 3–5 percent, and ensures that a greater share of revenue flows to investors.

3. Regulatory compliance and security

The platform integrates advanced blockchain standards, including ERC-3643 for permissioned, compliant token transfers and ERC-4626 for yield-bearing vaults. These standards enforce automated KYC and AML checks, restrict transfers to eligible investors, and provide full auditability. The result is a secure, transparent, and institutionally compliant investment vehicle.

4. Enhanced yield through AI-powered optimization

Tokenization is paired with artificial intelligence systems that monitor over 240 digital platforms for unauthorized usage, optimize royalty collection, and resolve disputes. This technology increases royalty recovery rates by up to 40 percent compared to traditional methods, directly boosting the income available for distribution to token holders.

5. Liquidity and compounding returns

Unlike traditional copyright funds that lock capital for five to seven years, tokenized royalties offer semi-annual buyback options and potential secondary market trading. This liquidity enables investors to exit or rebalance their positions more easily and compound returns by reinvesting distributions.

6. Portfolio diversification and risk management

Tokenization enables exposure to diversified pools of copyright assets, reducing risk and stabilizing income streams. The structure allows for the legal ring-fencing of asset pools, overcollateralization, and reserve mechanisms, thereby further protecting investor interests.

7. Transparent, real-time performance tracking

All transactions, revenue flows, and distributions are recorded on-chain, providing investors with transparent, real-time visibility into performance. This transparency builds trust and enables data-driven decision-making.

8. Strategic leverage and market positioning

By aggregating administration rights to a significant share of global music works, the platform gains negotiating power with digital service providers, securing better royalty rates and preferential treatment. This strategic advantage translates into higher and more stable passive income for token holders.

Tokenization transforms copyright royalties from an illiquid, opaque, and exclusive asset class into a transparent, accessible, and high-yield investment. The combination of blockchain automation, AI optimization, and robust legal structuring delivers annualized returns of 14 to 25 percent, significantly outpacing traditional copyright funds, while providing liquidity, security, and institutional-grade compliance.

This positions Authentia Invest as a next-generation solution for passive income in the digital content economy.