Zenland Arbitration Handbook

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ZENLAND

WEB3 ESCROW & MARKETPLACE

Contents

1. What is Zenland?

Zenland is a smart contract platform that connects the end-user to the blockchain to send, keep, and release cryptocurrency assets from a smart contract based on specified terms.

As a gateway to direct decentralized online transactions between peers, it pioneers a non-custodial escrow solution redefining trust and security in the web3 space and beyond.

Learn more about Zenland and its mission:

Official website: https://zen.land/
User documentation: https://docs.zen.land/
Knowledge base: https://learn.zen.land
Whitepaper: https://zen.land/static/pdf/whitepaper.pdf

2. How Zenland Resolves Escrow Disputes?

Zenland's dispute resolution mechanism combines non-custodial smart contracts and neutral arbitrators, called Agents, providing a comprehensive solution for direct online trade with cryptocurrency.

2.1. Dispute escalation and escrow smart contracts

Users may initiate a dispute in complex cases where contractual terms go unfulfilled. Zenland adopts a collaborative approach to dispute resolution, initially encouraging direct communication for mutual resolutions between the two parties (a buyer and a seller). Both sides can negotiate and support their claims via anonymous chat. In cases where direct dialogue fails, the dispute escalates and a neutral arbitrator, an Agent, is called to resolve a disputed case.

This action of "inviting" an Agent to assist is conditional. It may only happen whenever a buyer, or seller, decides to grant third-party access to a non-custodial smart contract. Neither the Agent nor Zenland developers can manage an escrow contract while the contract is handled between the two parties that have initiated it. These enforced code conditions maintain the decentralization of escrow smart contracts and prioritize user privacy and transaction security to ensure trust in direct P2P value exchange.

2.2. Arbitrator (Agent) and arbitration rewards

Zenland arbitrators, or Agents, are seasoned professionals entrusted with judging disputes. Agents thoroughly review evidence, engage with all parties, and guide the dispute toward a resolution upholding Zenland's commitment to fairness and transparency. These Agents are contract-neutral third parties who sign NDAs and are randomly assigned to escalated disputes.

Based on their expertise, case resolution time and effort, as well as individual commitment to fair outcomes for buyers and sellers involved, Agents maintain their reputation and escrow commissions. The self-assessment matrix used for calculating arbitration rewards is given below.
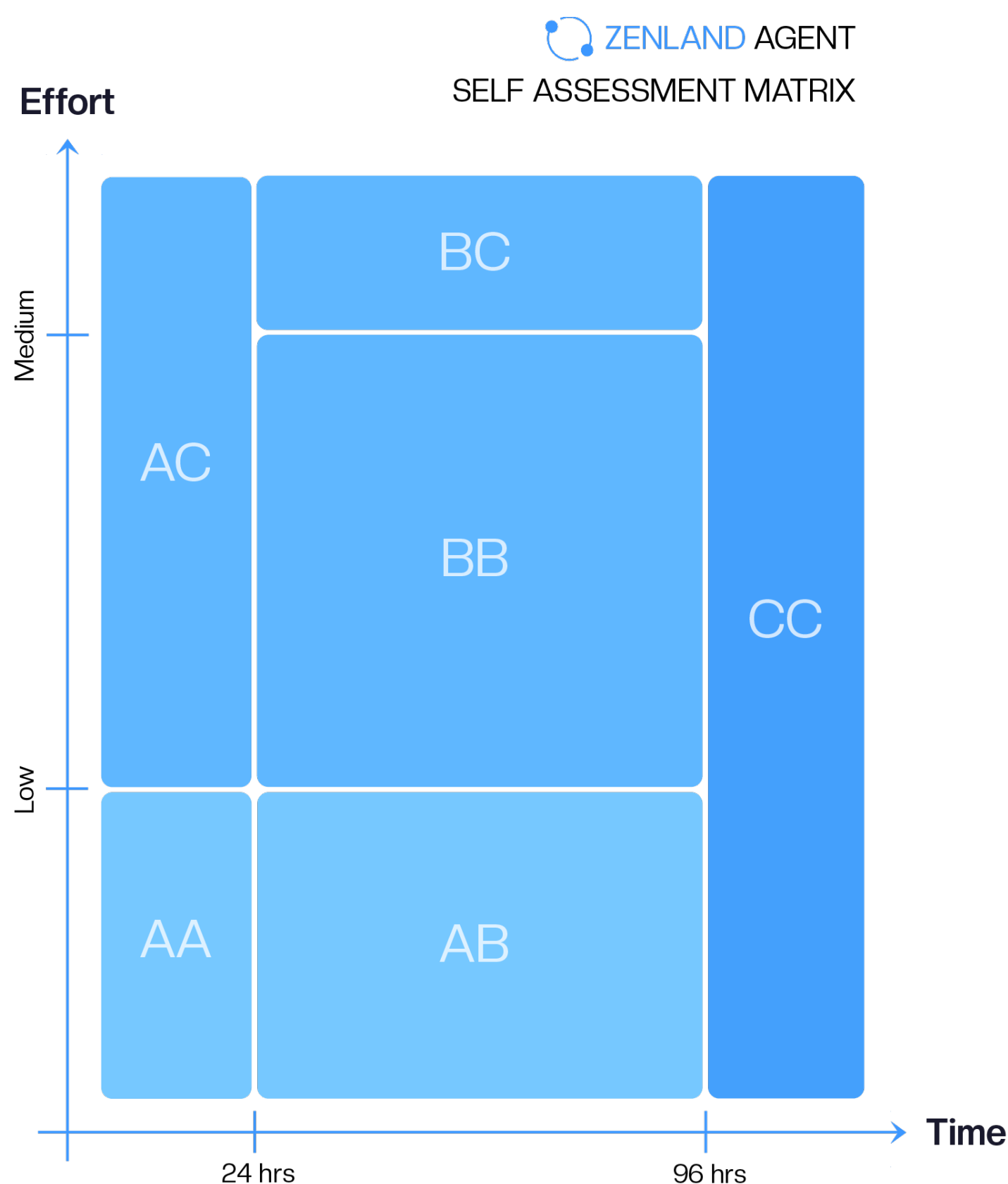

Figure 1. Agent's self assessment matrix

Whereby the effort is measured by both domain expertise (if any specialized knowledge/ research is required to understand the case for resolution), and collaboration with a buyer and seller, otherwise referred to as collaborative resolution. Domain expertise evaluates whether or not any specialized knowledge/research has been necessary to understand the case to make a good judgment.

The time needed to resolve the case is measured in hours with A spending less than 24 hours, B - spending between 24 hours and 96 hours, and C - spending over 96 hours on case resolution. The term "X time for case resolution" does not mean passive wait time but rather the time the arbitrator spends collecting evidence and contacting both sides (a buyer and a seller) for mutual case resolution.

Setting an arbitration comission

Based on the key combinations of both effort and time estimates all arbitrators may set their commissions from 1% to 3% of the disputed funds in escrow contract.

For example, if the escrowed funds are 500 USDT, the arbitrator may charge between 5 USDT and 15 USDT based on the case complexity self-measured by the time and effort invested in working out the resolution. This is done by using the self-assessment matrix given above and the commission eligibility table below.

Self-assessment key combination	Description	Eligible commission to set
AA	Less than 24 hours are spent on case resolution; no specialized knowledge/research has been required and/or an arbitrator did not contact both parties for clarification/resolution.	1%
AB	24 - 96 hours are spent on case resolution; no specialized knowledge/research has been required and/or an arbitrator did not contact both parties for clarification/resolution.	1%
BB	24 hours - 96 hours are spent on case resolution; some specialized knowledge/research has been required and/or an arbitrator has contacted both parties for clarification/resolution.	2%
AC	Less than 24 hours are spent on case resolution; some specialized knowledge/research has been required and an arbitrator has contacted both parties for clarification/resolution.	2%
BC	24 - 96 hours are spent on case resolution; some specialized knowledge/research has been required and an arbitrator has contacted both parties for clarification/resolution.	2%
CC	Over 96 hours are spent on case resolution; some specialized knowledge/research has been required and an arbitrator has contacted both parties for clarification/resolution.	3%

Figure 2. Arbitration commission eligibility

We acknowledge that despite having explicit guidelines for Agent commission eligibility, certain agents may intentionally misrepresent their efforts to assign themselves a higher reward percentage. In these instances, both contract parties (a buyer and a seller) retain the right to report such agents to Zenland Support. Reports of this kind, supported by evidence and reasons, are taken seriously, much like cases of 'scamming someone,' and could lead to the Agent's suspension if confirmed.

2.3. Custom agent arbitration

An arbitrator (Agent) can be assigned at random or custom requested. The latter is assigned as a "Custom Agent" to a particular case and represents an individual already established as a reputable escrow professional or subject matter expert in one or multiple industries. Users on Zenland can invite these experts to intervene when a dispute requires the insights of a seasoned and trusted professional.

Custom agents usually have a proven track record of resolving escrow disputes or mediating complex issues between individuals exchanging values online. Adding such individuals as custom arbitrators for high-stake escrow deals increases the overall trust and confidence of the parties involved, especially if the Agent is respected within the community or industry.

A case in point could be in-game asset trading where the agent with in-game asset expertise knowing the actual value of the tradable asset entitles the buyer to a refund. An avid gamer and asset trader not only brings resolution to parties faster but also provides clear and compelling evidence as to why the matter is solved. This feature augments Zenland's dispute resolution mechanism, providing case adaptability and effectiveness when addressing complex disputes.

Just like with regular Zenland arbitrators, custom arbitrators have access to dispute escalation cases where they have been requested to arbitrate and resolve. That is, only when either side (a buyer or a seller) initiates the dispute escalation process by "inviting" an Agent to arbitrate.

The Agent's commission, whether custom or random, does not differ and also uses the same self-assessment matrix presented above to determine fair compensation for their time and effort.

3. How To Get Started?

To be invited as a custom arbitrator, an individual is first checked for posts, reviews, and reputation elsewhere on the Internet (relevant forums and websites). Individuals with a proven track record of relevant experience in mediation or escrow services and those who simply display good judgment and industry-specific knowledge are all welcome to apply here.

To get started simply fill out the application and log in at app.zen.land with your Metamask address. Note that the address you use to create your escrow arbitrator account (i.e. Zenland Agent account) must not be previously used as a buyer or seller account on Zenland.

Arbitrator Eligibility

At Zenland, we value the expertise and integrity of individuals who contribute to our dispute resolution process as Custom Agents. To ensure competence and integrity, we have established the following eligibility requirements for those interested in becoming arbitrators.

- Domain knowledge

Custom Agents must possess experience, knowledge, and/or expertise in the industry or field associated with the dispute. This ensures that they can provide informed and insightful resolutions tailored to a particular case.

- Proven track record

Applicants should have a track record of involvement in one or multiple industries as arbitrators, mediators, escrow agents, brokers, influencers, consultants, or other authoritative intermediary positions.

- Professional reputation

Custom Agents are expected to maintain a professional and reputable online presence. This includes a positive track record, adherence to ethical standards for online trade, and a commitment to fostering fair and transparent resolutions.

- Communication skills

Effective communication is important in the dispute resolution process. Agents should possess strong communication skills to engage with involved parties, understand the details of the dispute, and convey resolutions clearly and professionally. At the time, there are no language requirements yet it is assumed that interested candidates possess at least conversational level English.

- Invitation by users

Custom Agents are invited by users involved in a dispute. Therefore, an eligible arbitrator is open and willing to step in, verify dispute claims, and resolve disagreements per request.

ⓘ Note

Zenland reserves the right to review and approve Agent applications based on the fulfillment of these eligibility requirements. Also, from time to time, all arbitrators are audited by the Zenland community and must display good judgment and understanding of case-specific situations to remain eligible as "Agents of change" for a new fair online trade system we are building for web3 and beyond.

4. What Arbitration Looks Like?

The Agent's commission, whether custom or random, does not differ and also uses the same self-assessment matrix presented above to determine fair compensation for their time and effort.

4.1. Agent's journey at a glance

The Agents' journeys begin when they are randomly assigned or custom-requested for cases. Once assigned, the Agent accesses the escrowed contract details and its Contract chat, reviews and requests supporting evidence, and engages with the involved parties (a Buyer and a Seller). Agents follow a structured process that guides a thorough evaluation.

After the evidence review an arbitrator releases funds from the escrow contract to either party or splits between the two of them, minus the arbitrator's resolution reward between 1% and 3% from it. The diagram on the next page illustrates the steps in the Agent's journey.
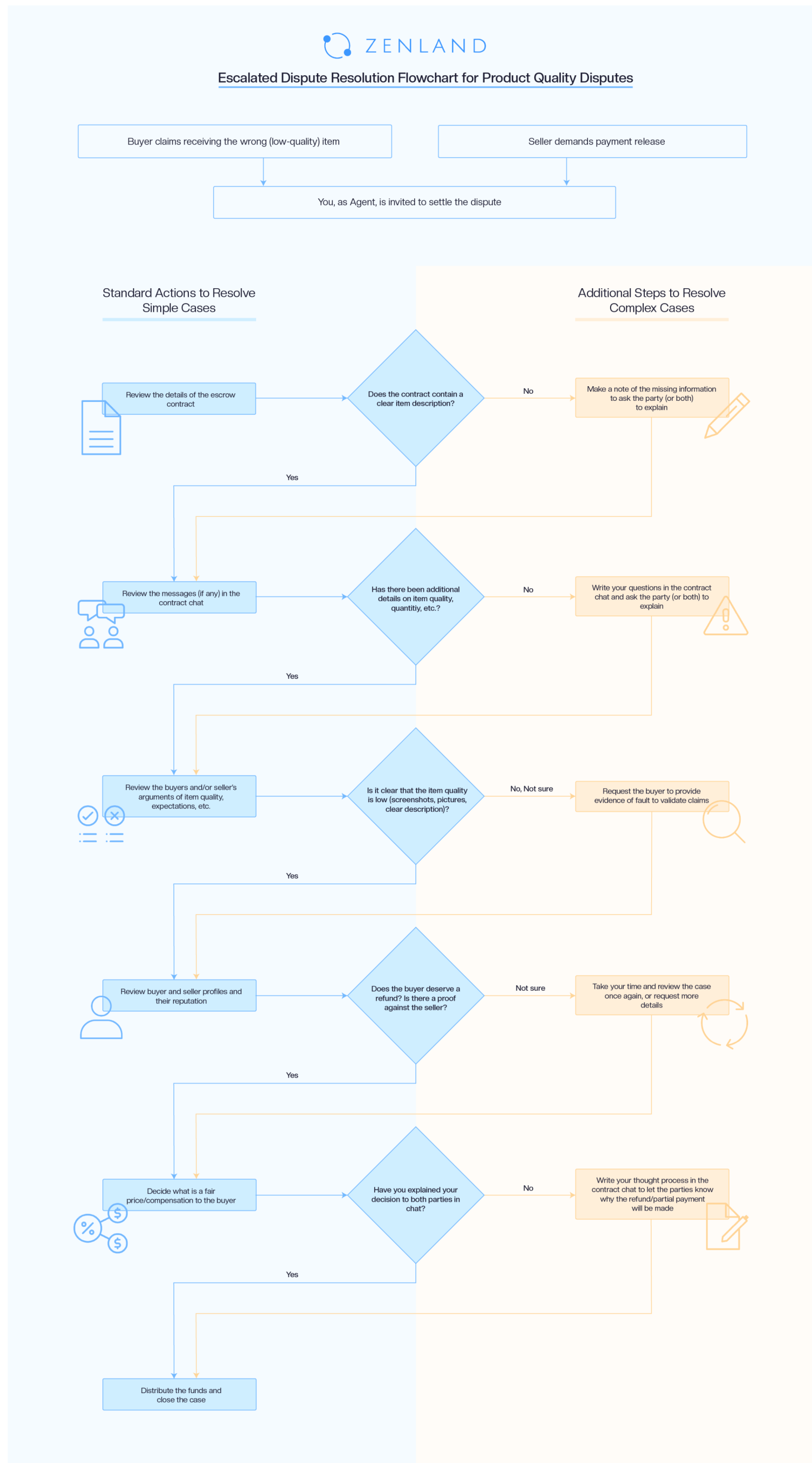
Figure 3. Sample Dispute Resolution Flowchat

4.2. Use case example

Background

Create a Metamask address to be used as an Agent. You may not use it otherwise to create escrow contracts as a buyer or a seller. Login in with this address at app.zen.land and apply with the same address as Agent here.

Once you are accepted, you can access your profile dashboard which contains key statistics about your activity as an arbitrator such as your registration date as an Agent, the total number of contracts created with you, the average commission fee from the resolved contracts, etc.
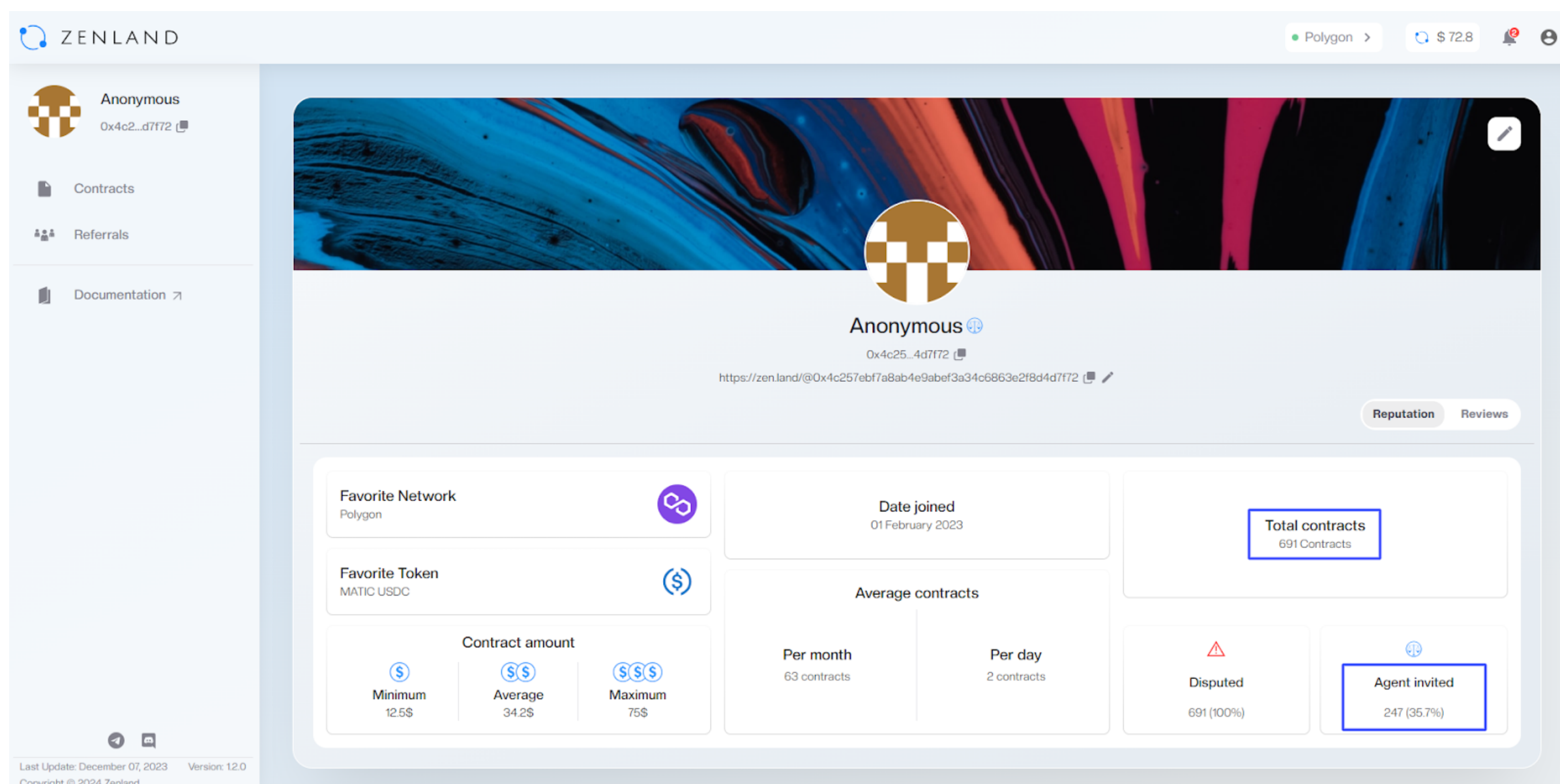
Agent Profile Dashboard

For more details on Agent profile and reputation read in Zenland documentation.

The next step is to wait to be invited as an Agent to help solve a disputed case. If you are already known on popular forums like BitcoinTalk, for example, it is easier for you to invite people looking for an escrow solution to assign you as a Custom Agent to cases relevant to your area of knowledge and expertise.

Note that even if assigned to a particular case, you will not have a chance to access escrow contract details and its funds until one of the participants invites you for dispute resolution. That is, disputed contracts unless escalated may be settled by the parties themselves without your intervention and access to such contracts.

Background

To help you understand the resolution process, here is an example. You are arbitrating a smart contract escrow case where a dispute arises in an escrow transaction where the buyer exchanges 90 USDC for 10,000,000 SHIB tokens. The buyer disputes that the tokens received are not authentic SHIB tokens but random or fake tokens with the same name on the provided contract.

Agent's evidence review

The Agent steps in to examine the contract details including the contract description, buyer protection time, network and amount to be paid. Immediately from the contract the

Agent determines that both parties have missed adding the token contract address elsewhere in the terms. Though the token description states that the seller is offering "genuine SHIB tokens". Even the token description in the contract was a copy of the real SHIB from the original Coinmarketcap description of SHIB.

Zenland Escrow Contract Details

Then, reviewing the Contract chat logs, the Agent notices that the buyer has sent 90 USDC on the Polygon network to the escrow contract, which is confirmed on-chain via the Polygonscan website.

The Contractor then sent the Contractee 10.000.000 units of a token on the Polygon network of contract 0x61b66853bdefe04dc058774b808163d65a9c947d, which is an ERC20 with the symbol "SHIBA".

Understanding that the buyer is likely receiving fake tokens for the exact price of true SHIB tokens, the Agent describes reasoning to both sides clarifying the definition of the "real" SHIB token and comparing it with the provided tokens. It asks the seller to object to claims within 12 hours if any evidence exists.
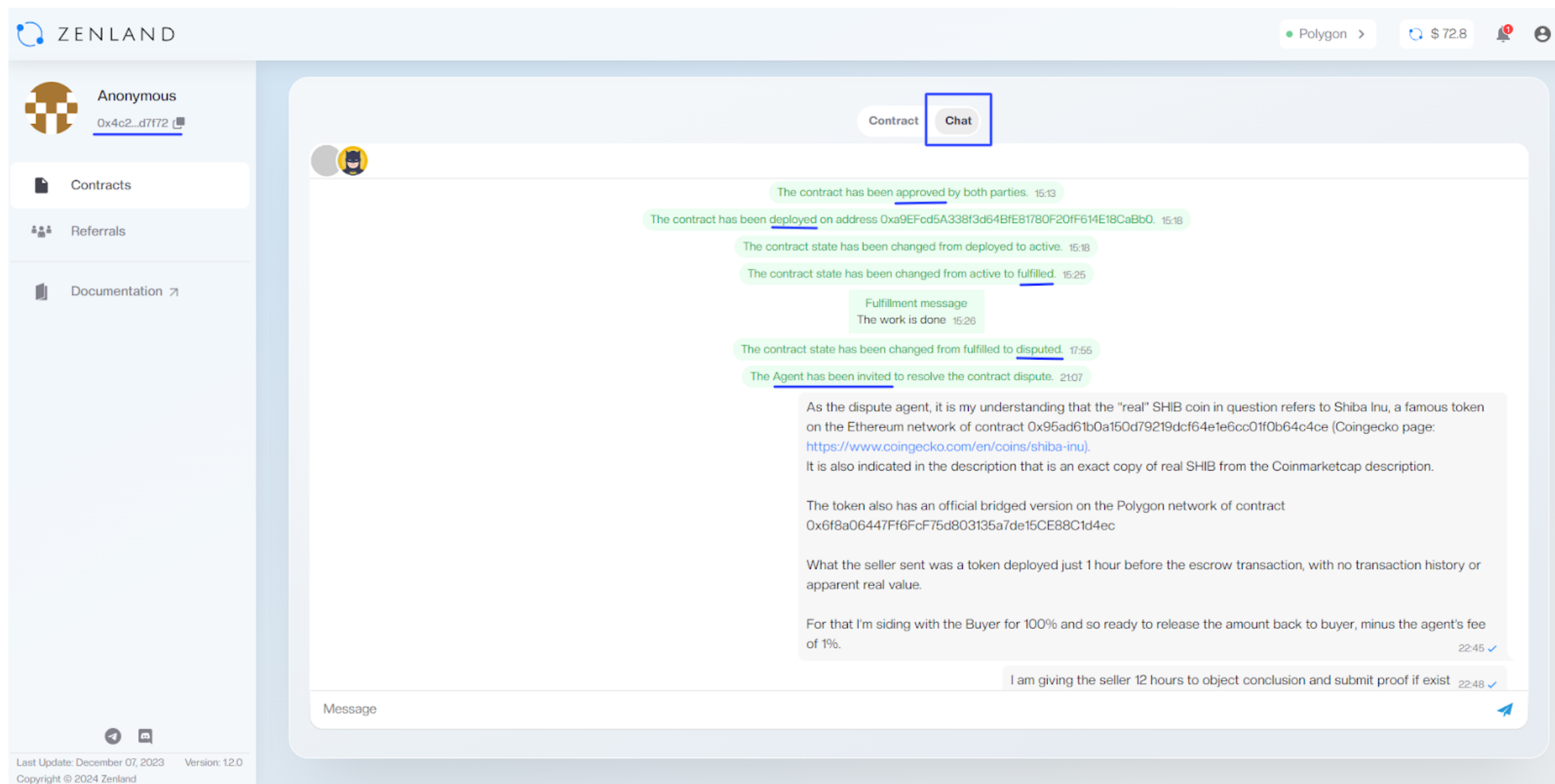
Zenland Escrow Contract Chat

Agent's decision

As the time for objecting the case with SHIB runs out and the seller does not attempt to defend claims or communicate in Contract Chat, the Agent concludes that the tokens sent by the Seller lack transaction history and apparent real value, siding with the Buyer. The decision involves a refund to the Buyer (99%) with a 1% deduction of the Agent's fee.
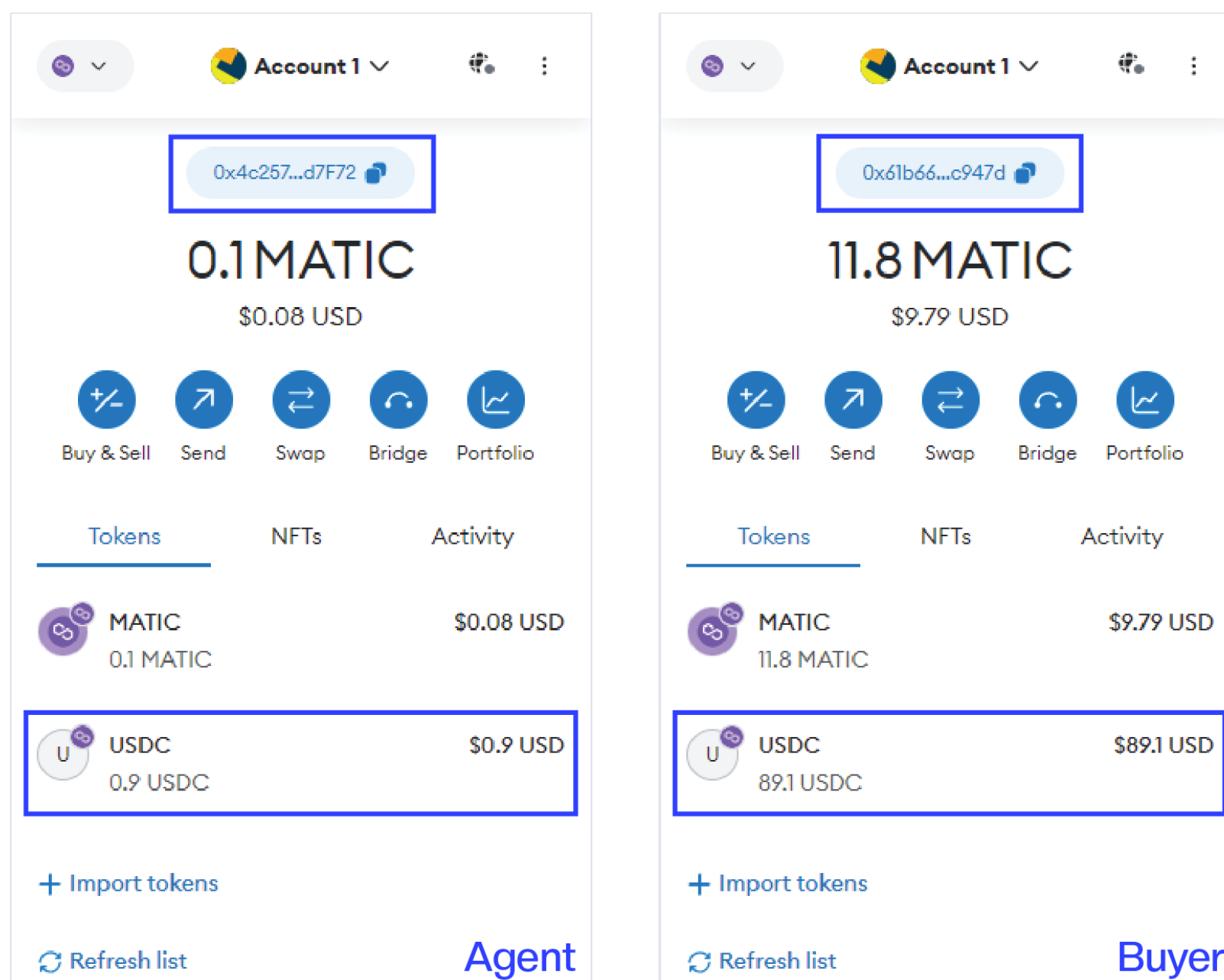
Metamask Balance Changes After Escrow Contract Execution

Key takeaway

This scenario displays the Agent's role in assessing the validity of assets in escrow transactions and demonstrates good judgment based on a close review of contract details, chat timestamps, and research on tokens claimed to be "genuine". The importance of verifying the legitimacy of tokens, especially when a dispute arises, highlights the Agent's responsibility to ensure fair and transparent resolutions.

The Agent feature has been previously tested by the Zenland community and the reviews can be found on BitcoinTalk. For validation please refer to our BitcoinTalk thread.