NAVIGATING UNCERTAINTY

Crypto Taxonomy Stability Audit

Demo 01 - Does the observed behaviour of a project still match its stated cryptoasset category?

Report type	Domain	Demo entity
Taxonomy stability audit	Crypto	Demo entity: Atlas Protocol, a synthetic DeFi-adjacent project with rising bridge and middleware behaviour.
Status	Prepared for	Advice status
Synthetic demonstration report	Public website demo	Not legal, financial, valuation or investment advice

This document shows how a paid audit deliverable could be structured. Demo numbers are synthetic but written to show realistic decision support.

Contents

This report is intentionally compact. Each section is designed to give a client a clear reason to pay: structured evidence, useful interpretation, and practical monitoring actions.

Core audit question: Does the observed behaviour of a project still match its stated cryptoasset category?

1. Executive dashboard

The DeFi label remains visible, but it is no longer sufficient. Atlas behaves partly like a DeFi protocol and partly like middleware infrastructure.

The most important insight is category drift: bridge dependency and RPC concentration are becoming more important than the public label implies.

Client decision: do not classify or monitor Atlas as pure DeFi. Use a mixed taxonomy and track category stability monthly.

Metric	Demo value	Reading	Implication
Taxonomy stability	62/100	The stated label is still visible but weakened by middleware behaviour.	Use mixed category label.
Usage drift	+18%	Bridge-flow share rises across the demo window.	Monitor bridge dependence.
Developer resilience	Medium	Active development but concentrated contributor base.	Track contributor spread.
Decision confidence	Medium	Good enough for screening; not final legal or investment classification.	Use as diligence input.

Main client insight: The most important insight is category drift: bridge dependency and RPC concentration are becoming more important than the public label implies.

2. Audit question and scope

Does the observed behaviour of a project still match its stated cryptoasset category?

- Synthetic review of one project over a 12-month demo window.
- Focuses on category validity, taxonomy stability and monitoring design.
- Excludes investment recommendation, token valuation and legal classification.

3. Evidence register

The report separates evidence into views. The conclusion is stronger when different evidence layers point in the same direction; divergence becomes an audit finding rather than being hidden.

View	Demo evidence	Audit purpose	Weakness
Market	Liquidity depth, volatility, return clustering	Tests whether trading behaviour resembles DeFi, infrastructure or exchange-linked peers.	Can move faster than fundamentals.
Usage	TVL, active addresses, bridge flows, fees, governance	Tests whether actual use supports the public category.	Usage may be incentive-distorted.
Developer	Commits, releases, contributors, issue activity	Tests whether development supports maturity or decline.	Private repositories may be invisible.
Infrastructure	RPC providers, bridge dependency, node geography	Tests hidden operational concentration.	Provider data can be opaque.
Temporal	Rolling demo windows	Tests whether classification remains stable.	Window choice affects sensitivity.

4. Method and quality controls

The method is designed to be auditable: every conclusion should trace back to a source view, a preprocessing decision and a stated limitation.

Control	Demo check	Why it matters
Identifier alignment	Entities/sites/providers matched across views.	Prevents false divergence.
Windowing	Demo windows fixed before comparison.	Prevents cherry-picked movement.
Missingness	Unknown/private data marked as caveat.	Prevents false certainty.
Source hierarchy	Direct, proxy and inferred evidence separated.	Stops weak evidence becoming headline evidence.
Concordance	Views compared before conclusion.	Finds hidden disagreement.

Method principle: features build views; views build local structures; local structures build an auditable decision.

5. View analysis

This page is the main insight layer. It shows what each evidence view contributes and why the final conclusion is not based on one metric.

Market view

Liquidity is above the synthetic DeFi median and volatility is moderate. Market maturity supports the DeFi label, but return clustering is closer to infrastructure peers than application peers.

Usage view

TVL is stable but bridge flows rise from 21% to 39% of observed usage. This is the strongest signal that Atlas is drifting toward middleware behaviour.

Developer view

Commits remain consistent, but 71% of activity is concentrated in a small core group. Technical maturity is positive, but contributor concentration adds maintainability risk.

Infrastructure view

Two RPC providers dominate the dependency map. This makes operational risk more concentrated than the category label suggests.

6. Concordance, drift and risk

Concordance shows whether evidence views agree. Drift asks whether the structure is changing. Risk converts both into decision priorities.

Concordance matrix

Comparison	Relationship	Interpretation	Status
Market vs usage	Partial agreement	Market maturity is stronger than usage maturity.	Watch
Usage vs infrastructure	Divergence	Usage increasingly depends on bridge/RPC functions.	Flag
Developer vs market	Agreement	Active development supports mature market behaviour.	Stable
Infrastructure vs label	Contradiction	Dependency profile is not captured by a pure DeFi label.	Flag

Risk heatmap

Risk	Severity	Likelihood	Why it matters	Control
Category risk	Medium	High	Users may rely on a simplified label.	Use mixed taxonomy.
Bridge/RPC risk	High	Medium	Operational concentration can transmit outages.	Dependency register.
Contributor risk	Medium	Medium	Small contributor base limits resilience.	Track contributor concentration.
Liquidity stress	Medium	Low-Med	Market maturity can weaken quickly.	Weekly liquidity watch.

7. Recommendations

Recommendations are written as practical client actions. They identify what to do now, what to validate next and what to monitor later.

Priority	Recommendation	Reason	Owner / cadence
Immediate	Relabel as DeFi-adjacent middleware.	Better reflects current structure.	Analyst
30 days	Build dependency register.	RPC and bridge concentration are hidden risks.	Technical reviewer
Monthly	Track taxonomy stability score.	The category is drifting.	Risk owner
Quarterly	Review public narrative against evidence.	Avoid stale classification.	Decision owner

Monitoring triggers

Indicator	Cadence	Escalation trigger	Meaning
Taxonomy score	Monthly	Falls below 55/100	Category instability.
Bridge-flow share	Weekly	Rises above 40%	Middleware dependence.
RPC share	Monthly	Top two above 70%	Provider concentration.
Contributor spread	Monthly	Core group above 75%	Maintainability risk.

8. Limitations and appendix

Limitations are part of the audit. The goal is not to remove uncertainty, but to make uncertainty visible and decision-relevant.

- All entities, scores and values are synthetic demo examples.
- No private client data, CV data or proposal content is included.
- The report is not legal, financial, investment, valuation, tax, security, engineering or regulatory advice.
- Any real paid audit would need source validation, client context and domain-specific review.

Glossary

Term	Meaning
View	An evidence layer such as market, usage, infrastructure, geography or risk.
Concordance	Agreement between evidence views.
Drift	Movement in structure, behaviour or risk over time.
Auditable report	A report where evidence, assumptions, limits and conclusions can be inspected.

Commercial value: the client is paying for a traceable evidence trail, not a generic opinion.