

WBTC Brings Bitcoin To Ethereum

[WBTC \(Wrapped Bitcoin\)](#) will launch as a fully backed Bitcoin ERC20 token on Ethereum in January 2019. The initiative will bridge Bitcoin liquidity and the decentralized ecosystem on Ethereum, enhancing all decentralized applications. WBTC will allow the Ethereum network to be leveraged to enable new applications and use cases for Bitcoin.

WBTC is a community focused initiative and is the culmination of a long-standing joint effort relationship between [BitGo](#), [Kyber Network](#), and [Republic Protocol](#). Prominent decentralized exchanges and financial projects, including [MakerDAO](#), [Dharma](#), [Airswap](#), [IDEX](#), [Compound](#), [DDEX](#), [Hydro Protocol](#), [Set Protocol](#), [Prycto](#), [RadarRelay](#), Blockfolio and [Gnosis](#) have all committed to support the adoption of WBTC and will participate as launch members.

“This initiative will be bringing together the liquidity of Bitcoin and the extensive smart contract developer ecosystem of Ethereum.” said Loi Luu, Co-founder and CEO of Kyber Network. “Applications on Ethereum such as decentralized exchanges and financial protocols will all be able to use Bitcoin seamlessly, creating bitcoin trading pairs which have been impossible until now. At the same time, the usage of Bitcoin will be expanded by having more decentralized use cases, such as exchange, loans, token payments.”

Transparency and Openness

BitGo, the market leader in institutional-grade cryptocurrency security, will act as the custodian at launch. The most important feature of this initiative is transparency: all WBTC issued will be fully backed and verifiable on-chain.

To maintain the highest levels of transparency, the project dashboard will have proof-of-reserve showing that every Bitcoin stored by the custodian corresponds to the total outstanding WBTC. Minting will only be possible via the custodian with approval from the merchants, and when WBTC token holders redeem their tokens for Bitcoin, WBTC in turn will be burned. All such actions are verifiable on both blockchains, something only available with cryptocurrency.

WBTC will allow any project to include WBTC in their platform without restrictions, while users can easily purchase WBTC tokens on any supported swap service or exchange. The effort will be community driven from launch, with governance dictated through a Decentralized Autonomous Organization (DAO) comprised of reputable projects in the cryptocurrency space.

DAO members will publicly audit the WBTC tokens to make sure that the balances in the custodian wallet and the smart contract match. In addition, they will vote and decide on any proposed improvements. The addition of any new minters, custodians, and DAO members as well as the removal of the existing members will happen via a transparent voting process in the DAO.

Launch Information

This initiative, including the initial minters and DAO, is expected to go live in January 2019. In advance of the launch, the specifications will be made known on GitHub/Gitter for all members of the cryptocurrency community to discuss and propose improvements on both the token and the governance model.

At launch, Kyber and Republic Protocol will pre-mint WBTC tokens from their own Bitcoin inventory to provide initial liquidity and make WBTC available for atomic swaps with users. "The addition of atomic swap technology to the WBTC initiative will allow users to deposit and withdraw BTC/WBTC securely and with confidence, which will assist in enabling WBTC adoption to reach the masses." said Taiyang Zhang, CEO Republic Protocol.

BitGo will be the initial regulated custodian while WBTC will also be supported in BitGo's enterprise wallet as well as any exchanges, payment or dapps services using Kyber.

While the initiative initially focuses on Bitcoin, the same approach can be used to bring other major coins to Ethereum. "We are really excited to tokenize the most widely accepted cryptocurrency on Ethereum" said Benedict Chan, CTO of BitGo, "I think this is a great application of the flexibility and power of blockchains, and it'll drive greater interoperability and utility throughout the entire ecosystem."

For more information about how to get involved, please visit www.wbtc.network.

From Launch Partners:

"WBTC is transparently and securely tokenizing Bitcoin, so that it can benefit from the decentralized financial system being built on Ethereum. Both blockchains, and all users, are going to see tremendous benefits from WBTC"

- Robert Leshner, Compound CEO

"We are seeing a wave of financial derivatives deployed on Ethereum-- first stable coins, and now BTC. Introducing WBTC will allow developers to include the asset in interoperable protocols and traders to receive exposure without trading the underlying. This is part of a wider trend of tokenization and will continue to expand into many other asset classes."

- Michael Oved, Airswap CEO

"By bringing WBTC into the Ethereum eco-system, it opens up assets on Ethereum to more than 60% of the entire crypto market. This experiment sets the precedent that we can bring other public chain assets on to Ethereum in a synthetic way."

- Bowen Wang, DDEX Co-Founder

"We're excited about incorporating WBTC as an Ethereum-uncorrelated component into Sets. The introduction of WBTC greatly increases the coverage (by market cap) of crypto assets that can be represented in ERC20 baskets."

- Felix Fang, Set Protocol CEO

"Adding the ability to get BTC exposure will be a big step forward for the decentralized finance industry emerging on Ethereum. We're excited to integrate WBTC into Dharma and offer this product to our customers."

- Brendan Foster, Dharma Protocol Head of Growth Ops

"While it's improving, liquidity continues to be one of the biggest challenges for the ecosystem of decentralized applications, protocols and exchanges. We are excited to see the WBTC bring Bitcoin liquidity to the growing Ethereum-based decentralized ecosystem. "

- Leor Tasman, Prycto CEO

"We're really excited to see functional cross-chain solutions coming to fruition. The WBTC initiative will broaden the options available to our users, and the ecosystem at large"

-- Gareth James, Director of Token Analysis, Radar Relay.

"By combining the industry's leading custodian with a multi-party, transparent issuance system, WBTC is a huge step forward in bridging liquidity between the BTC and Ethereum-based ecosystems. We cannot wait to support it on IDEX."

-- Alex Wearn, IDEX (Aurora) CEO

About BitGo

BitGo is the market leader in institutional-grade cryptocurrency investment services providing security, compliance, and custodial solutions for blockchain-based currencies. BitGo is the world's largest processor of on-chain bitcoin transactions, processing 15% of all global Bitcoin transactions, and \$15 billion per month across all cryptocurrencies. The company has over \$2 billion in assets in wallet, and a customer base that includes the world's largest cryptocurrency exchanges and spans more than 50 countries. In 2018, it launched BitGo Trust Company, the first qualified custodian purpose-built for storing digital assets. BitGo is backed by Craft Ventures, DRW, Galaxy Digital Ventures, Goldman Sachs, Redpoint Ventures, and Valor Equity Partners.

About Kyber Network

Kyber's on-chain liquidity protocol allows decentralized token swaps to be integrated into any application, enabling value exchange to be performed seamlessly between all parties in the

ecosystem. Using this protocol, end users can swap tokens instantly while developers can build innovative payment flows and applications, including token swap services, ERC20 payments, and financial DApps — helping to build a world where any token is usable anywhere. Kyber is natively integrated into major crypto wallets, websites and financial dapps, including IMToken, MyEtherWallet, CoinGecko, Etheremon, and Melonport.

About Republic Protocol

Republic Protocol is a decentralized dark pool exchange protocol, for trading large volumes of digital assets. It is a decentralized network that utilizes secure multi-party computation to match orders without exposing the price, or volume, of the orders. Dark pool exchanges powered by Republic Protocol can support large volume trades, with minimal price slippage and market impact, whilst guaranteeing that the rules of the dark pool cannot be broken.