Telos Bancor Network

Telos Worker Proposal 44

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Worker proposal value : **125,000 TLOS in 1 Cycle**

Background

The Bancor Protocol is an automatic market making algorithm which allows tokens to be exchanged without the need for a counterparty and order matching. This algorithm is ideal for tokens with low liquidity which are usually characterised by poor market depth and large ask / bid spreads on traditional exchanges. Readers familiar with EOSIO will recognise this algorithm from the EOSIO RAM and REX markets. Additional details of the protocol are available at https://about.bancor.network.

This document proposes setting up a Telos Bancor Network using the TLOS token as a network token (instead on BNT). This will allow simple and efficient exchange of Telos tokens without the need for those tokens to be listed on exchanges. This will allow apps and websites to offer simple token swaps, greatly simplifying the acquisition of Telos tokens.

Why is Bancor important

Traditional exchanges work well for markets with good liquidity. This is generally untrue for most token projects. Low liquidity is characterised by empty order books and large spreads. This is well illustrated by the TLOS token markets on Newdex. The TLOS/EOS pair has good liquidity and a moderate spread. All other pairs have little market depth and large spreads. This is likely to result in a poor experience for anybody wanting to trade those tokens.

Pair	Ask	Bid	Spread
TLOS / EOS	0.026000	0.027099	0.001099 (4.2%)
TLOSDAC / TLOS	0.0075	0.0090	0.0015 (20.0%)
QBE / TLOS	0.0111	0.0203	0.0092 (82.9%)
TEACH / TLOS	0.060000	0.070000	0.010000 (16.7%)
HEART / TLOS	0.30000	0.75000	0.45000 (150%)

Table 1 : Newdex TLOS pairs 5 October 2019

If the same tokens are traded on the Telos Bancor Network the trade will complete immediately at the Telos Bancor Network market price.

Scope of this proposal

Included in this proposal

Bancor Network (https://www.bancor.network) has written and deployed Bancor Protocol contracts for EOSIO and deployed there to the EOS blockchain. These contracts are available as open source code on the Bancor Network GitHub. The EOS deployment is built around the Bancor Network Token (BNT).

1. This proposal seeks to deploy the Bancor Network contracts to Telos using the TLOS token as the network token. This will allow Telos tokens to join the Telos Bancor Network by deploying the Bancor converter contract and providing liquidity using their own tokens plus TLOS.
2. All contracts will be deployed to the "tbn" premium namespace. This will simplify management of token converter and smart token contracts.
3. Deploy five (5) Telos tokens to the Telos Bancor Network with sufficient liquidity to allow the converters to function. The converters will be configured with a conversion fee of 2% which will be added to the liquidity pools. This will improve the performance of the converters as they are used.
4. Include Telos Bancor Network token conversion in CoolX mobile wallet and make technical details available to other Telos wallets to allow them to perform token conversions should they choose to include this functionality.
5. Create a web portal with similar functionality allowing users to convert tokens using SQRL and Scatter to sign the conversion transactions.

Excluded from this proposal

This proposal will not support the TLOS / EOS pair and other cross chain conversions. These conversions require a cross chain bridge token and liquidity in EOS and BNT. We plan to add this functionality as a separate worker proposal.

Economics

The allocation of worker proposal funds will be as follows;

Task	TLOS	USD @ $0.08
Test and deploy EOSIO Bancor protocol contracts to Telos mainnet. This includes the purchase of the premium namespace and RAM for the protocol contracts	10 000 TLOS	$800
Commission five TLOS tokens to the Telos Bancor network with an initial liquidity pool.	25 000 TLOS	$2 000

Add Telos token swap functionality to the CoolX mobile wallet.	20 000 TLOS	$1 600
Create a Telos Bancor Network token swap website. The website will allow token conversion using SQRL and Scatter	70 000 TLOS	$5 600
Total	**125 000 TLOS**	**$10 000**

Team

The Telos Bancor Network is being deployed on Telos Mainnet by EOSza in collaboration with the CoolX wallet team. The main contact for this project is Rory Mapstone (Telegram @rorymapstone)