VTX token retire mechanism v0.0.1

Sylvain Cormier
sylvain@volentixlabs.com

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Abstract

The Volentix token, VTX was originally created on the main EOSIO chain. Volentix Labs is offering ethereum users a way to purchase VTX using wrapped tokens.

1 Introduction

Wrapped tokens are each backed by an equal amount of another asset. In this case, a pool of ETH VTX tokens is backed by a pool of VTX tokens on EOS to which a corresponding amount of original VTX token was sent. The synchronisation of the initial EOS VTX with ETH VTX is ensured by:

1. An oracle script executed by the nodes on the Volentix network, constantly feeding an EOS contract with the ETH VTX balance, account name, timestamp, block info etc...
2. A smart contract on EOS validating this balance
3. The retiring of EOS VTX by this contract according to the new approved balance

2 System flow

In the EOS contract, an initial unique record of the ETH VTX balance is kept as a reference. This record is updated anytime the EOS contract determines the ETH pool balance has changed. For this, the EOS contract is continuously fed the VTX balance of the corresponding VTX pool on ethereum by registered vdexnode oracles. The EOS contract inserts these balances in a circular buffer, determining how many consecutive similar balances there are to the last incoming balance. If it was the case that the last 2/3 of the transactions were the same, The difference between the last recorded unique balance record and the new ethereum balance is calculated and the amount is sent to be retired on from the from the total VTX supply on the EOS chain.

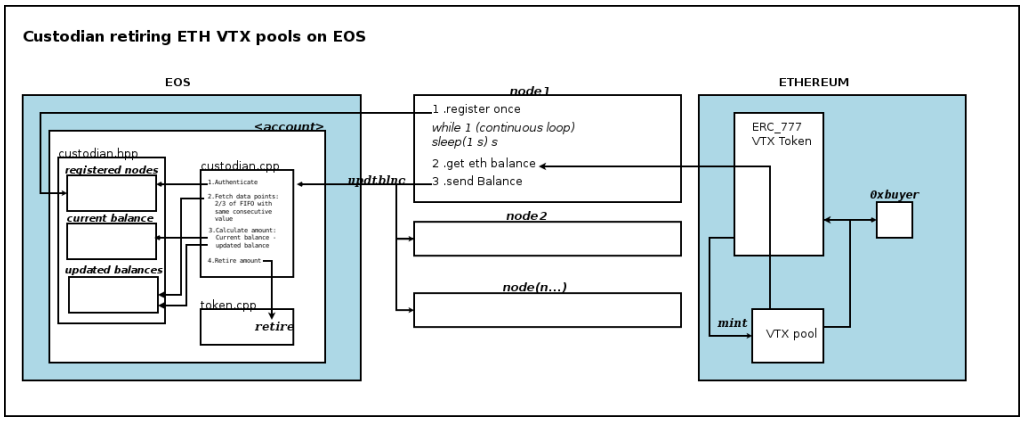

Figure 1:

3 Conditions

1. EOS custodian must be must be updated continuously by a minimum of 8 oracles.
2. No oracle can submit its value twice.
3. Sources must register to the Volentix node network.

4 Conclusion

Custodians trade assets for wrapped tokens by minting (creation of wrapped tokens) and burning (reducing supply of wrapped tokens). The latter has been accomplished in this iteration. This mechanism can be used to to synchronize pools regardless of their provenances, as long as a the EOS contract is fed with the concerned balances.