

EOS

THE UNPERMISSIONED BLOCKCHAIN
THAT SOLVES THE BLACK SWAN

Presented by

TOKENIKA

DISCLAIMER

- We are **NOT** in any way associated with **block.one**, the company developing EOS code. We are just part of the emerging EOS community.
- We have no interest in you buying EOS tokens, and this certainly should not be treated as financial advice.
- Our goal is to encourage you to take interest in the concept and possibly consider building businesses on top of EOS.

TRADING = DEALING WITH COMPLEXITY

- Blockchain is about trading, i.e. moving assets around
- We like complexity - this is the very reason we trade
- Complexity means risk: lots of things can go wrong, especially on a blockchain

BLACK SWAN

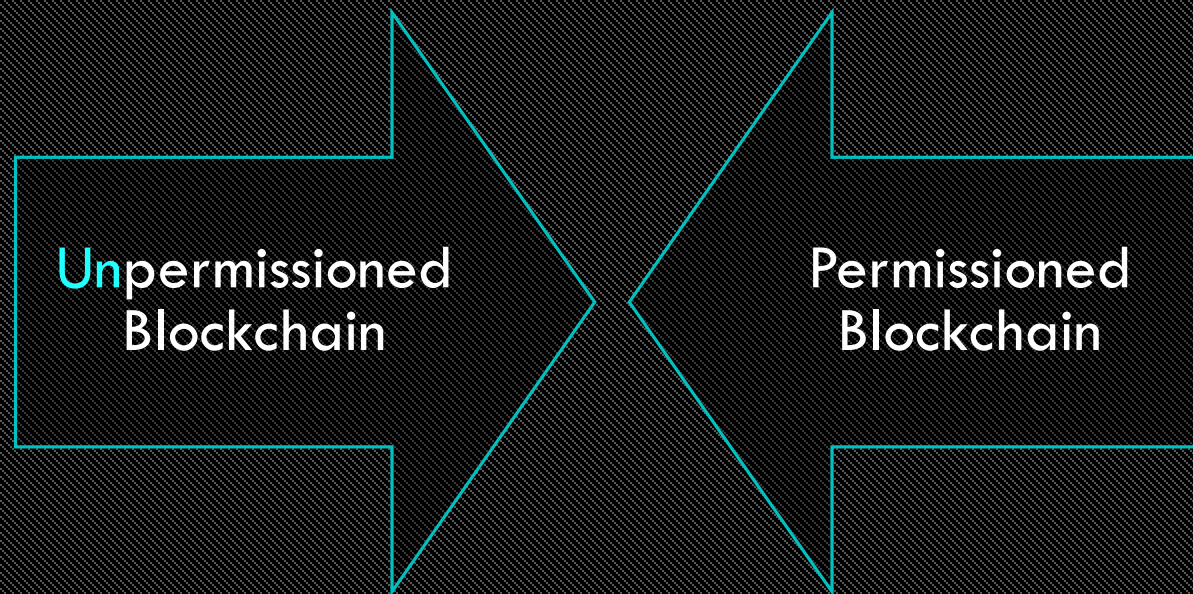
An event that happens very **infrequently** but it's **extremely costly**



WHAT DOES THE BUSINESS NEED?

- Repeated, no-end-in-sight game
- Way out when things go wrong - rules to manage a black swan event
- Ideally win-win / net-positive game open to everyone

TWO ALTERNATIVE FORMS OF BLOCKCHAIN



UNPERMISSIONED BLOCKCHAINS

- Bitcoin & Ethereum
- Everyone is **free to enter**
- Designed to do simple automation only: simple contractual mechanisms
- Emphasis on smart-contracts & external oracles to feed information in
- When it comes to the actual business: **Wild West** („code is the law”)

PERMISSIONED BLOCKCHAINS

- Ripple & Hyperledger
- Ideally suited for banks & large institutions
- Paradigm of a **walled garden**: you can get in only if you're permitted in
- Rules to suit the insiders, small businesses get locked out
- It's quite **safe** - you're unlikely to misbehave because you risk being kicked out

UNPERMISSIONED VS. PERMISSIONED BLOCKCHAIN

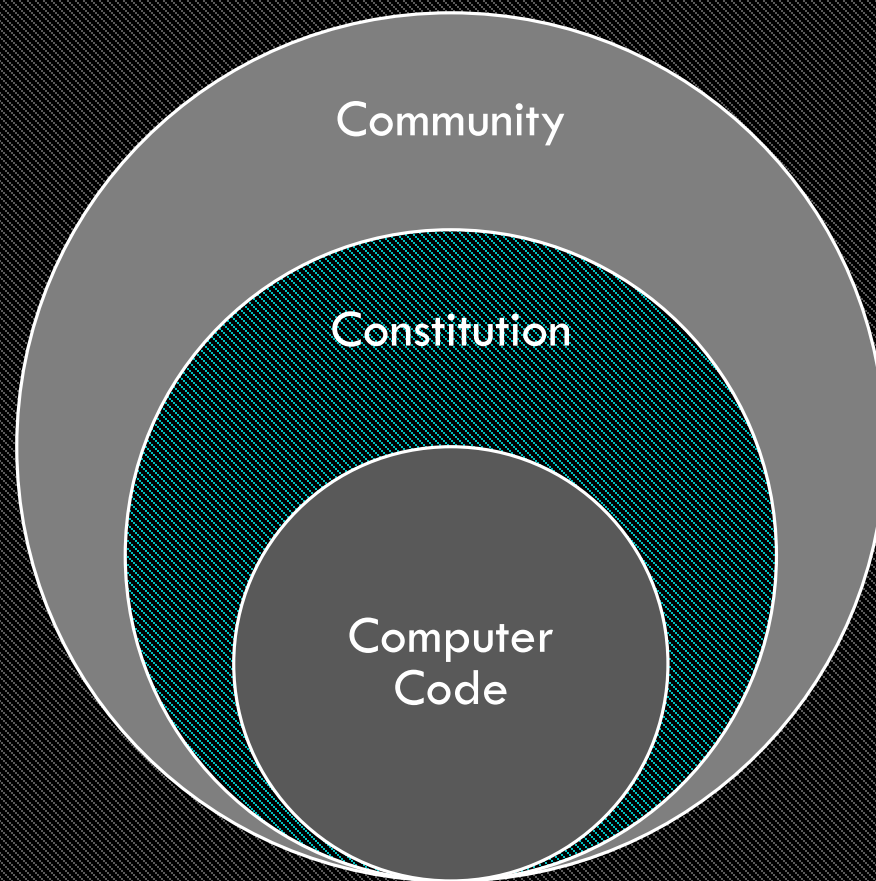
	Good	Bad
Unpermissioned	Freedom of entry prevents corruption & boosts market competition	The entrepreneur is looking for win-win, but mostly gets win-lose game
Permissioned	Entities inside can safely trade, win-win game is encouraged	You can't have a vibrant growing economy in a walled garden

“
The entrepreneur wants a **free-to-enter** system
where they can deal with people and **build
profits**, not extract profits.
”

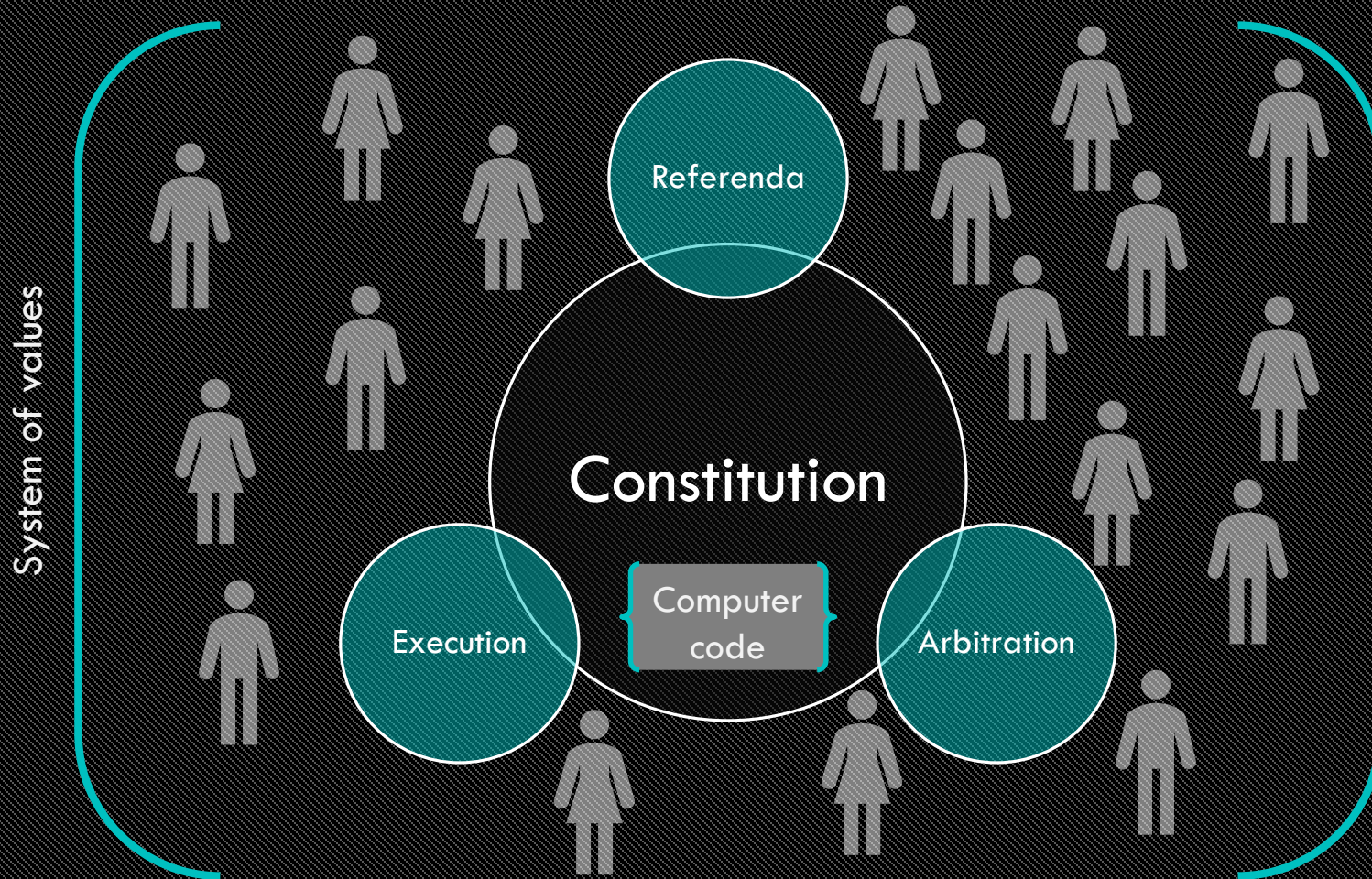
Ian Grigg, block.one partner

WHAT WE NEED IS A **GOVERNED BLOCKCHAIN**

HOW DO WE BUILD A GOVERNED BLOCKCHAIN?



HOW DO WE BUILD A GOVERNED BLOCKCHAIN?



DPOS - DELEGATED PROOF OF STAKE

- 21 block producers elected by token holders
- Hard to get elected, easy to lose the job
- Executors of the constitution, e.g.
 - apply protocol changes
 - ability to freeze & fix broken dApps
- Subjects to the constitution: risk being voted out if violate the constitution

WHY DO WE NEED A CONSTITUTION?

- The constitution is the expression of common values within a community
- No constitution = no common values explicitly defined
- Eventually something controversial will happen
- A constitution exists to minimize the likelihood of a fork, which is a bad thing

EOS - THE GOVERNED BLOCKCHAIN

	Black Swan prevention	Stagnation prevention
Unpermissioned	-	Free to enter
Permissioned	Walled garden	-
Governed	Constitution	Free to enter



IS FULLY AUTONOMOUS SYSTEM POSSIBLE?

- Vitalik Buterin: If we could only put the right algorithm inside a box, then it could be fully self-sufficient or autonomous
- Daniel Larimer: There is no such thing as an autonomous economic system, it's always dependent on a value system outside of it

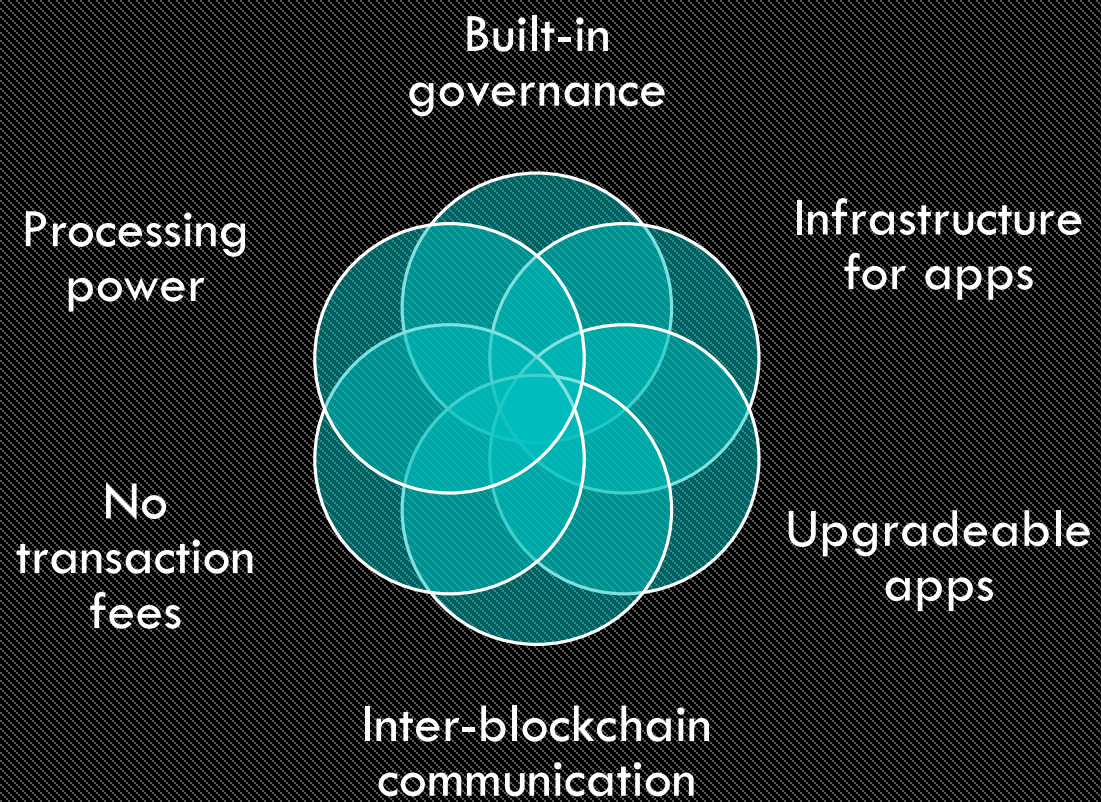
DAN LARIMER'S DARWINIAN APPROACH

- Each community might have its own hierarchy of values (i.e. value system)
- A good value system will allow a group to grow
- A bad value system will eventually make it die

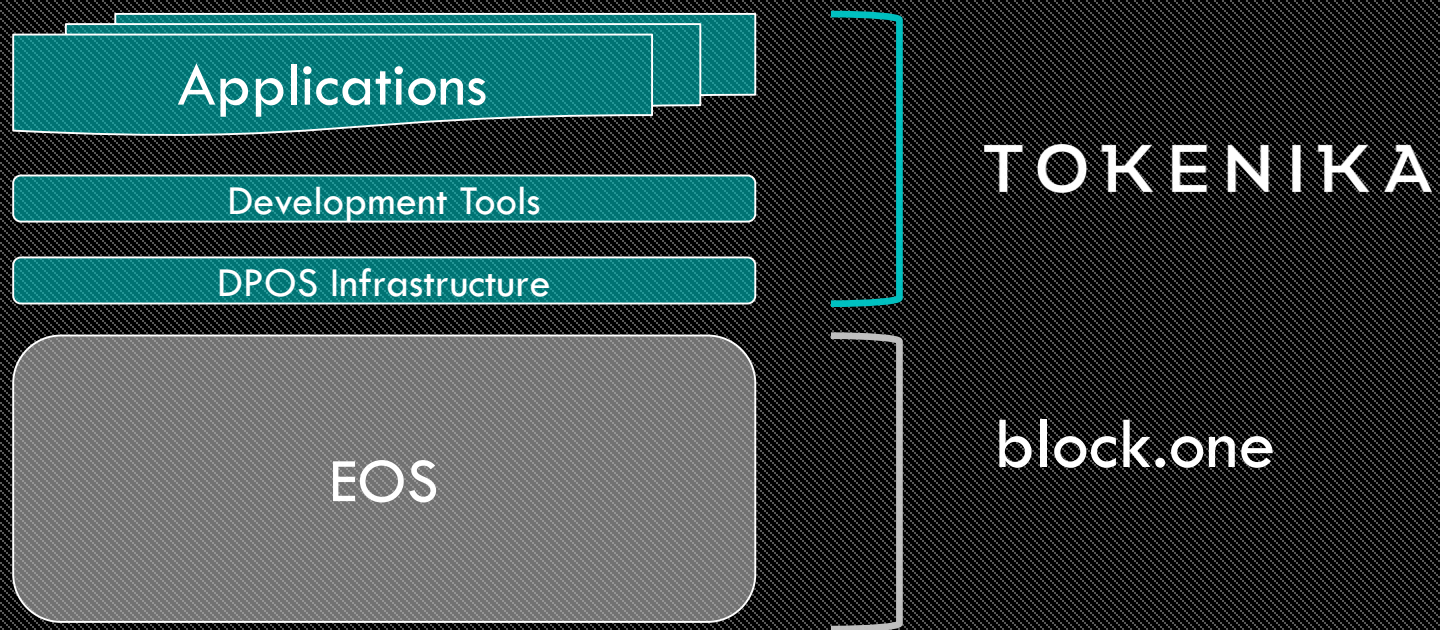
“ The true goal is to lower the barrier to entry for the creation of new communities and allow free market competition to reward the most effective communities and punish the most corrupt. ”

Daniel Larimer, CTO of block.one

EOS MAIN FEATURES



ABOUT TOKENIKA - OUR ROLE IN EOS ECOSYSTEM





EOS - official website
www.eos.io

THANK YOU
ANY QUESTIONS?

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