**FACTOM**

**COMMUNITY**

**Factom Protocol ANO Promotion and Demotion System**

**DOC 005**

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\* See [Doc 002 - Administration of governance- and community documents](https://docs.google.com/document/d/12nvQVDOoLFNtmV_jqFEeWo1Ixx3R08z4KqLNVEbDoU4/edit?usp=sharing), Chapter 3.

\*\* See [Doc 001 - *Factom Governance*](https://docs.google.com/document/d/1RVaVR7lvfGgOBMG-7oca9TtpnR7qaEfr6XJVaZJwd3M/edit?usp=sharing), Definitions.

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# Introduction and Terms

* 1. This document provides the procedure to elect new, continue to support, or demote Factom Authority Node Operators (“ANOs,” and individually, “ANO”). It is created to supplement and facilitate the election and removal of ANOs as set forth in the [Factom Governance Doc 001](https://factomize.com/forums/documents/doc-001-factom-governance.9/) (“Doc 001”) section 3. All capitalized terms used herein and not otherwise defined in this document shall have the meanings ascribed to them in Doc 001.
  2. Objective measures will be designed and approved by Standing Parties and then implemented via an amendment to Doc 001 ("Factom Governance Document"). When implemented, they will account for a percentage of ANO standing.

Note: The system described and implemented via this document is not contingent on objective criteria being added.

* 1. **Terms:**

**Standing** - An ANO or candidate ANO’s amount of support from Standing Parties, calculated as a percentage in the following manner: ***support-votes*** */ [number of]* ***standing parties*** *\** ***100***.

**Candidate ANO** - A team that has submitted its ANO application but has not yet received enough Standing to become an ANO.

Note: An applicant stays an ANO candidate if there are no ANO positions available, even if it has accrued enough standing (60%) to be elected.

**ANO Standing Dashboard** - The interface on the community forum Standing Parties use to provide or remove support from ANOs and Candidate ANOs.

# Process Overview

* 1. The protocol forum will host a public ANO Standing Dashboard that is permanently visible to all parties and displaying real-time Standing levels (in percentages, ranked from top to bottom). The system will start with all Standing Parties with “Blank Vote” but will be expected to make that vote within two months. Nobody will enter a 90 day notice period until all Standing Parties have cast all their initial votes or those two months are up, whichever is first.
  2. If an ANO drops below 40% Standing on the ANO Standing Dashboard, they are immediately notified and have 90 days to improve and rise above 40%. If they do not, they are removed from the Authority Set after those 90 days. If they move back above 40% during the 90-day period and drop down again thereafter, they once again have 90 days to improve.
  3. To ensure that any ANOs that drop below 40% Standing have their Standing reevaluated by all Standing Parties before the 90 day "on notice" period has concluded, Standing Parties are expected to update their support-votes at a minimum cadence of every 60 days. Standing parties can of course update their support-votes for Standing for ANOs at any time.
  4. All current ANOs will automatically be listed on the election dashboard where Standing Parties can choose to “Support” or “Not Support” based upon the contributions of the ANO. These votes can be changed as many times as the Standing Party wants. A means to comment and answer questions will be built into the system.
  5. Current ANOs MUST be demoted by having less than 40% support for 90 consecutive days before a Candidate ANO can take their position. It does not matter if a Candidate ANO has a higher Standing if the ANO has not been demoted. The moment an ANO is demoted, if a candidate ANO has 60% or higher Standing, the Candidate becomes an ANO. If that new ANO drops below 40% at any point, even prior to their server being onboarded, they have the normal 90 days to increase their Standing.
  6. An ANO position will remain unfilled if a current ANO is demoted and there is no Candidate ANO with minimum 60% support to take its place. In this situation the first candidate ANO to achieve 60% support will be elected ANO.
  7. Candidate ANOs will be required to submit an ANO application and answer questions from the community. Submissions can be done at any time throughout the year. At that point they will be added to the ANO Dashboard at 0% Standing and will need to work to increase that in whatever way(s) they deem viable.
  8. The Factom Protocol Guides will, twice per year, in week 5 and 31,decide if the number of default ANO positions will stay the same or increase (to a maximum of 65), using a vote during a Guide meeting. They will announce their rationale for this decision on the Factom Protocol forum and Factom Discord server.

Note: When the updated number of ANO positions are available the ANO Election and Demotion system shall be updated as soon as possible to reflect the changes.

* 1. Vacant ANO positions (either through ANO removal or addition of additional ANO positions) will be filled by ANO Candidates with 60% or greater Standing in an order from highest to lowest.
  2. A new Candidate ANO that has put in an application will be displayed on the ANO support dashboard for 6 months to ensure a fair exposure to Standing Parties. Candidate ANOs will be shown along with the current Authority Set and the Standing Parties will be able to indicate support of Candidate ANOs in the same manner as for current ANOs. If the Candidate ANO does not have at least 25% Standing after the 6 months, they will be removed from the ANO Standing Dashboard.
  3. If no ANO positions are added by Guides or opened up as a result of current ANOs being demoted, no new ANOs will be promoted from the Candidate ANOs. Candidate ANOs can automatically be promoted directly to ANO status by obtaining 90% support of the Standing Parties even if an ANO spot has not become available through ANO demotion or by Guides making more ANO slots available. In such an event the ANO position is automatically created, and the number of ANO’s is increased by one.

Note: This does not apply if there are 32 ANO’s or more currently in the Authority Set.

* 1. In a situation where the ANO Election and Demotion System becomes unavailable for any reason, automatic elections and demotions are suspended. If a current ANO has less than 40% support when the system becomes unavailable, and the system is not restored when the ANOs *90 days* (see section 4.5) have expired, the guides shall organize a binary support poll for the ANO in question to determine if it shall be demoted or not.
  2. When any Standing Party resigns, is removed, or is replaced, all support-votes provided by that standing party are removed, and the number of standing parties is updated to count only active standing parties.

# Candidate ANO Process

* 1. A Candidate may apply to become an ANO at any time to begin building their Standing to 60%.
  2. A Candidate applies to become a Factom Authority Node Operator by:
     1. Reviewing the [technical specifications sheet](https://docs.google.com/document/d/1MF2E9G_hZ3bD0EwKlbsTNvaHMcHqJkLAIfYJb-AGJfg/edit?usp=sharing) to help determine server specifications.
     2. Joining the [Factom Community Testnet](https://docs.factomprotocol.org/start/factom-community-testnet) authority set.

Note: The Testnet has its own minimum technical specifications described in the above link and does not have to mimic the mainnet servers described in the application.

* + 1. [Joining the community discussion forum](https://factomize.com/forums/).
    2. Completing and submitting the application form [located here](https://factomize.com/forums/apply).
    3. Answering any questions the community has on the community forum.
    4. Working to build its Standing to 60% or higher so it is eligible to be added to the Authority Set when a position opens up.
  1. The information required to be submitted and questions to be answered during the application are available [here](https://docs.google.com/document/d/1XBkp0juMiNnrWDfuXQTzcqtVEaSCNqoSRq_F_50EXuw/edit?usp=sharing).

Note: The required information and questions to be asked shall initially be approved, and only subsequently changed by a ⅗ Guide vote.

# ANO Promotion / Demotion Process

* 1. Promotions and demotions will happen on a continuing basis.
  2. Standing parties can and should continuously vote throughout the year to show their support or non-support for both current ANOs and Candidate ANOs.
  3. The Guides shall announce promotions / demotions on the community platforms.
  4. If there are multiple Candidate ANOs tied at 60% support or higher and not enough open slots, then the Candidate ANO that submitted their initial application first will be promoted to ANO.
  5. After 90 consecutive days below 40% Standing, ANOs shall be demoted from the Authority Set as soon as practically possible and access removed from ANO-only functionality on the community platforms. Every current ANO agrees to fully cooperate with this process and to only act upon designation of and in coordination with the Core Committee.
  6. A promoted ANO is expected to have successfully completed the procedure described in [Doc 204](https://docs.google.com/document/d/1eYf_62ctbcDlc_9AAmCqt2FHR8s60VMr7HGxniAoPc0/edit?usp=sharing) within 28 days of being promoted to ANO status.
  7. The promoted ANO will be allowed to operate authority servers as follows:
     1. 2 servers in the Authority Set if there are less than 32 ANOs at the time of promotion.
     2. 1 server in the Authority Set if there are 32 or more ANOs at the time of promotion.
  8. The Factom Core-committee should start the process of including the promoted ANOs node identity/identities into the Authority Set within 7 days after the promoted ANO has notified them that the procedure described in Doc 204 is complete.
  9. A promoted ANO is expected to adhere to [Doc 003](https://docs.google.com/document/d/1IylZOUbY5D3_qbRDDOHSFPIKoVav15h8ojTESpQP3Y0/edit?usp=sharing) (ANO expectations) from the time their identities are included in the Authority Set.
  10. As soon as practical, [Doc 207](https://docs.google.com/document/d/1UL1-8EG7-k6wKJN9DNYaShk9-ZWYxAW1IUHCPHv-4to/edit?usp=sharing) and [Doc 208](https://docs.google.com/spreadsheets/d/1fopTNg7ZnokwybEwC6H7W3vEAmNMkyFd_3xumDj5q0Q/edit?usp=sharing) shall be updated by the Factom Protocol Guides with the changes to the ANO composition and digital identities