

Augur is a decentralized prediction market project aiming to use “The Wisdom of the Crowds” to create an accurate forecasting platform.

The project allows users to create prediction markets for any real-world event and market buyers can purchase shares in possible outcomes. Buyers are rewarded for buying shares of the correct outcome. Share prices of events represent the probability an outcome occurs. Reputation (REP) is Augur’s native token, which incentivizes reporters to record outcomes accurately.

Project Overview

Name	Augur
Issuer	Augur
Category	Utility token
Sector	Prediction markets
Sale Start	08/17/2015
Sale End	10/01/2015

Token Overview

Name	Reputation
Symbol	REP
Type	ERC 20 token
Initial Distribution	11,000,000
Current Supply	11,000,000
Max Supply	11,000,000
Emission Type	Fixed

Resource Links

- [Website](#)
- [GitHub](#)
- [Twitter](#)
- [Medium](#)
- [Reddit](#)
- [Whitepaper](#)

Project Background

Augur is creating a decentralized open-source prediction market platform and oracle service. The project was founded in 2014 and released an alpha version of the platform in June 2015. Due to issues with the Serpent language, which pre-dated Solidity, the team had to re-write their code in Solidity leading to a delay in development. Augur now expects to launch their full main network in July 2018.

Prediction markets on the platform will enable users to create a market for forecasting a specific future event, like who will win the next election or which team will win the world cup. Participants in the market will be able to buy “shares” of the specific outcome they see as most likely. At the end of a pre-determined period the outcome is checked and those that own shares in the correct result receive a monetary reward. Prediction markets can be useful tools in tracking the true sentiment for results, as typically only the most informed individuals will risk money when making a prediction.

The team believes that by creating a fully decentralized prediction market they can overcome issues seen in centralized markets such as needing to trust that a result is correctly reported and that a payout is received. In addition, by creating a framework for the creation of these markets users can forecast the outcome of almost any event. Once a market is created trading begins immediately. The outcome of the event is determined by Augur’s oracles which are incentivized to report on event outcomes. Upon determination of the outcome, traders can close their positions and collect their payouts.

Technology

The workflow for prediction markets in Augur can be broken down into four segments; creation, trading, reporting, and settlement.

Markets will be created by a user that is responsible for setting parameters around the event, such as the end-date for the market and designated oracle or reporting entity. Once the end-date is reached the designated oracle is responsible for providing the outcome of the event, such as who did, in fact, win an election. This designated oracle does not unilaterally decide the outcome of the market, and it can be disputed and corrected by the community. The creator must also choose a resolution source such as "bbc.com" and set a creator fee which is to be paid to the market creator upon trade settlement. Additionally, creators must post a validity bond to incentivize the creation of well-defined events, and a no-show bond to incentivize the creator to pick a reliable reporter.

Market participants forecast the outcomes of events by trading shares of those possible outcomes. Shares can be traded freely upon creation. Using the Augur matching engine anyone can create or fill an existing order. All Augur assets – including shares in market outcomes, fee window tokens, shares in dispute bonds, and even ownership of the markets themselves – are transferable at all times

Once an event occurs, the outcome is determined by Augur's oracles, which are profit-driven reporters that are incentivized to report the true real-world outcome. Anyone who owns reputation (REP) tokens can participate in reporting and disputing outcomes. Reporters whose outcomes are consistent with consensus are rewarded while those whose outcomes are inconsistent are penalized.

The reporting system runs on a seven-day fee window. All fees collected during a respective window are pooled and distributed to the reporters who contributed during that window. Reporters receive rewards in proportion to the amount of REP staked during the fee window. To incentivize consistent participation during each fee window, REP holders can also purchase participation tokens, which are redeemable for a certain portion of the fee pool.

Augur levies a creator fee and reporter fee when market participants settle trades with the market contract. These fees are proportional to the amount paid out to respective users. The creator fee is set during market creation, and the reporting fee is set dynamically.

Distribution

Augur pre-sold 80% of total supply (8.8 million REP) in a public sale from Aug. 17, 2015, to Oct. 1, 2015, raising a total of \$5.3 million. The funds are intended to support development, operations, maintenance, and logistical expenses. The sale targeted early evangelists of the Augur vision because REP buyers would serve as the oracles to report on the outcomes of predicted events.

The remaining 20% of tokens (2.3 million REP) were pre-allocated to the founding team, advisors and the Forecast Foundation. The price a buyer paid for REP was determined based on the final price sale the token sale completed, plus the discount provided in the buyer's respective round. The sale was conducted in four rounds. The first round, called the True Augur round, lasted from Aug. 17 to Aug. 22 during which participants received a 15% bonus. The Prophet round lasted from Aug. 22 to Aug. 28 and offered a 10% bonus. The final bonus round, the Nate Silver round, offered a 5% bonus from Aug. 28 to Sept. 5. The final round was called Nostradamus and offered no bonus.

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Team

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Additional Resources

- [Augur Deployment Details](#)
- [Augur Serpent Audit](#)
- [Augur Developer Beta](#)

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