

Polymath aims to create a global platform for issuing and investing in securities tokens.

The project is developing a suite of tools for participants to launch, invest and trade in financial products on the blockchain. The Polymath platform will facilitate interactions between issuers, service providers (specifically KYC providers and legal delegates), investors and developers. The POLY token is used for payments between participants on the platform.

Project Overview

Name	Polymath
Issuer	Polymath Network
Category	Utility token
Sector	Asset management
Sale Start	01/31/2018
Sale End	01/31/2018

Token Overview

Name	Polymath
Symbol	POLY
Type	ERC20 token
Initial Distribution	240,000,000
Current Supply	240,000,000
Max Supply	1,000,000,000
Emission Type	Fixed

Resource Links

- [Website](#)
- [GitHub](#)
- [Twitter](#)
- [Telegram](#)
- [Reddit](#)
- [Blog](#)
- [Whitepaper](#)

Project Background

Polymath is creating a platform that aims to provide a marketplace for the creation of blockchain based financial products. Compared to the traditional initial public offering (IPO) process used in equity markets the team hopes to use tokens to decrease the costs for organizations to issue securities while allowing more investors to participate in offerings.

While recent token sales, or initial coin offerings (ICOs), have focused on payment tokens used to transfer value or utility tokens used to access goods or services on a platform, all tokens issued through Polymath will be securities (security tokens). Security tokens are specifically intended to represent a stake in an organization or a claim to the wealth generated by its activities. They are therefore subject to security regulations in the case of both issuers and investors.

Polymath plans to offer a blockchain based issuance system that allows organizations to create tokens and engage service providers, like law firms and developers, to complete a token sale. Investors will be able to participate in securities token offerings (STOs) and trade their tokens on a secondary market. Polymath plans to integrate third-party know your customer (KYC) providers to verify details about issuers, investors, and service providers, including location and accredited investor status. The integration of KYC and legal service providers aims to allow issuers and investors to comply with various regulations across jurisdictions.

Tokens created on the network will be based on Polymath's ST20 standard which incorporates KYC compliance into the token. This should create a system where only investors, as identified by Ethereum addresses, that match the regulatory profile (location, accredited investor status, etc.) outlined by the organization are able to purchase tokens. ST20 tokens will be modular, and can be changed over time to reflect new governance or change things like dividend payments and other features.

The Polymath (POLY) tokens will be used in the network to pay for various services including development, legal, and KYC.

Technology

Polymath is being built on a series of core Ethereum smart contracts that connect various participants on the platform. When a new token is launched, a new smart contract is created that manages the specific requirements of that token. Organizations will be able to hire developers to build or review smart contracts directly through the platform. A JavaScript library, Polymath.js, simplifies interaction with the smart contracts and provides document encryption and sharing functionality.

To launch a new token, an issuer creates a smart contract with the parameters of their offering including total supply, equity or other rights attached, price, and governance details. Issuers can choose to develop their own contract or engage a developer through a planned marketplace system. Developers can bid to provide new implementation or review services directly through the platform and will be paid in POLY. The team plans to ensure quality development by locking these tokens for a minimum of three months after the launch of an STO.

Once a contract has been deployed law firms, called legal delegates, will be able to bid for the new offering. Issuers will be unable to complete their token sale until they complete a legal review process. Legal delegates can submit proposals during this time and if selected will be responsible for working with the issuer to properly construct a compliant token sale. Like developers, legal delegates will be compensated for their work in POLY. Delegates may choose to stake an amount of POLY or set various lock-up periods before they can receive compensation as a way to guarantee the quality of their work.

Once an issuer approves the final offering, they set the sale date and investors are allowed to purchase the security. To participate in a sale, investors are required to go through a KYC process to verify their location (jurisdiction) and accredited investor status. Issuers and their legal delegates set parameters directly through the smart contract that can do things like include only accredited investors or exclude certain jurisdictions. These parameters will be encoded directly to the token so that even in the secondary market any investor must meet the original requirements. Investors will be identified by their Ethereum addresses which helps to build a transaction history and audit trail for assets on the network.

KYC services will be provided by third-parties that verify investor credentials in return for POLY. These providers will be required to pay a fee to join the network to attempt to prevent illegitimate providers from participating.

To facilitate the trusted sharing of documents things like legal paperwork and investor credentials can be uploaded to the Polymath platform and accompanied by a cryptographic hash on the blockchain creating a verifiable archive of documents.

Distribution

According to SEC filings¹ Polymath has raised \$58.7 million. The project did not conduct a public token sale but instead relied on a private pre-sale combined with an airdrop to distribute tokens to the public. The total amount of POLY is 1.00 billion tokens.

Pre-sale investors were allocated 23% of the total supply (230.0 million POLY) with three bonus tiers. The first tier included 3.9% of supply (39.0 million POLY) to be released on Jan. 31, 2019, the second tier was for 0.94% of supply (9.4 million POLY) to be released on Jan. 31, 2020, and the third tier was for 2.8% of supply (2.8 million POLY) to be released on Jan. 31, 2021.

The founding team received 15% of supply (150.0 million POLY) of which 50 million will be released each year starting on Jan. 31, 2019. Advisors received 2.0% of total supply (20.0 million POLY) which will be released on Aug. 31, 2018. Polymath holds a reserve of 513.0 million tokens of which 6.8% will be released every 100 days over a period of four years starting May 11, 2018.²

The remaining 1% of supply (10.0 million POLY) was distributed through an airdrop on Jan. 31, 2018.

¹ Source: https://www.sec.gov/Archives/edgar/data/1728099/000172809918000002/xslFormDX01/primary_doc.xml

² Source: <https://github.com/PolymathNetwork/polymath-token/blob/master/contracts/PolyDistribution.sol>

Team

Trevor Koverko
Co-founder and CEO

- CEO at Digital Assets International

Chris Houser
Co-founder and COO

- Previously Associate at Bennett Best Burn LLP

Sukhveer Sanghera
Lead engineer

- Founder and engineer at Everhusk Inc.

Advisors

Steven Nerayoff
CEO & Founder at Alchemist

Patrick Byrne
CEO at Overstock

Stan Miroshnik
CEO & Managing Director at The Element Group

Erik Voorhees
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Chairman of the Board at Factom

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CEO & Founder at Jaxx and Decentral

Matt Roszak
Co-founder at Bloq

Gary Rubinoff
Managing Partner at Summerhill Venture Partners

Bruce Fenton
Founder at Satoshi Roundtable

Steve Dakh
CTO at Smartwallet

Robby Dermody
Co-founder at Counterparty

Michael Terpin
Founder and CEO at Transform Group

Simon Dixon
Founder at BnkToTheFuture

Liam Robertson
CEO at Alhabit Digital Currency

Additional Resources

- [Polymath Deck](#)
- [Polymath Distribution Contract](#)
- [Polymath Allocation Contract](#)

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