

VeChain is expanding its IoT and supply chain focused platform through the creation of the VeChain Thor network.

VeChain Thor aims to be an enterprise focused blockchain ecosystem focused on governance and ease of use. The project plans to operate a native blockchain that will enable businesses to easily use various smart contract applications. VeChain focuses primarily on exchanging and storing data through the blockchain and has run live applications in the supply chain space.

Project Overview

Name	VeChainThor
Issuer	VeChain Foundation
Category	Utility token
Sector	Supply chain
Sale Start	08/18/2017
Sale End	08/19/2017

Token Overview

Name	VeChainThor
Symbol	VEN
Type	ERC20 token
Initial Distribution	820,000,000
Current Supply	519,011,754
Max Supply	867,162,634
Emission Type	Fixed

Resource Links

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

Project Background

VeChain is attempting to build a multi-purpose blockchain platform for enterprise use through the VeChain Thor blockchain. The project has been through multiple iterations since development started in 2015 with an initial focus on internet-of-things (IoT), specifically the use of blockchain and tracking tags for supply chain management. VeChain has produced some live applications of their product in the luxury goods and manufacturing spaces where they use tags to track goods and identify counterfeit products.

While the project still focuses on IoT applications the project has expanded the scope of the project to include a multi-purpose public blockchain that can be customized for specific business use cases focused on exchanging value and verified data.

VeChain is building a native blockchain that will likely be a fork of Ethereum with changes that focus on business use. The team plans to focus on built-in governance, low transaction fees, connectivity with outside technologies, and compliance with existing regulations. With a focus on providing a full suite to enterprise users VeChain plans to build not only the underlying blockchain, but also modular services that can be easily used by businesses.

Participants in the network will be divided between users and service providers. Users include manufacturers, retailers, other enterprise clients, and consumers. Service providers will offer specific applications on the network such as smart contract deployments or other software services. The platform will use a two token model where VeChain (VEN) tokens are used for payment transactions and governance while VeThor will be used specifically for executing smart contracts and other on-chain services. Once the main network launches VEN tokens will be replaced with native VeChainThor (VET) tokens.

Technology

VeChain uses a modified version of the Ethereum codebase, that was optimized for enterprise grade security and applications with plans eventually transition the network onto its own independent blockchain, which will likely be a hard fork of Ethereum.

The core of VeChain Thor is a blockchain layer which functions as a basic network in order to exchange messages, manage keys, and store data. Various business services will be built on top of this, tools to create smart contracts and manage or audit data. The team plans to support simplified smart contract creation through visualization tools and multiple language options in order to make the system usable by a range of businesses.

A key component of the current network is the VeChain ID. These IDs are assigned to physical goods to establish digital identities and enable activity to be tracked and recorded on the blockchain. VeChain IDs are created using a SHA256 function and used on NFC, RFID and QR codes. Smart contracts enable digital ownership, using public key encryption to manage authorizations.

Consensus is decided through a proof-of-authority (PoA) where approved masternodes are responsible for validation. There are 101 of these "authority masternodes" that are selected by the VeChain Foundation and community after undergoing an in-depth know your customer (KYC) check.

The network will use a two token model, where VET tokens are the primary platform tokens and can be used for things like governance or payments. In order to create a lower transaction fee model the team plans to integrate a second token, VeThor, which will be credited to users daily, based on the amount of VET they hold. VeThor will be used to pay for gas costs related to executing transactions and smart contracts on the blockchain. Initially users will receive 0.00042 VeThor for every VET they hold.

Most day-to-day governance is decided by the VeChain Foundation, which operates a board steering committee, advisory board, and a series of specialized committees. Board membership is decided by network participants, specifically token holders, smart contract operators, and masternodes, which vote for VeChain Foundation candidates.

Highly important governance issues, like changing the network consensus, would be put up to vote by these network participants as well, instead of being decided internally by the foundation.

Distribution

VeChain created a total of 1 billion VeChain (VEN) tokens. Of the total supply 41% (410.0 million VEN) was sold in a public sale with a smaller 9% (90.0 million VEN) sold during a related private sale. Enterprise investors were allocated 14% of tokens (140.8 million VEN). The team received 5% of tokens (50 million VEN) which remain locked and 12% of tokens (120 million VEN) were set aside for ongoing operations.

Following the token sale VeChain was required to refund Chinese citizens that participated in the token sale leading them to burn 13.3% of the total token supply (132.8 million VEN) reducing the maximum supply to 867.2 million VEN.

Team

Sunny Lu
CEO

- Former CIO of LV China

Jay Zhang
CFO

- Previously senior manager at PwC and Deloitte

Kevin Feng
COO

- Previous experience in consulting and assurance services in cybersecurity, privacy and emerging technology at PwC

Jianliang Gu
CTO

- Over 16 years experience in both the hardware and software of embedded system development & management

Advisors

Jim Breyer
Founder & CEO at Breyer Capital

Bo Shen
General Partner at Fenbushi Capital

Daniel Kelman
General Counsel at GSR and Bitcoin.com

James Gong
CEO at CHAINB.com

Roland Sun
Partner at Broad&Bright

Nan Ning
CEO at BitOcean

Investors

Draper Fisher Jurvetson

Fenbushi Capital

Breyer Capital

Future Capital

Additional Resources

- [VeChain Development Plan](#)
- [Existing Partnerships](#)

This report has been prepared by a member of the Messari community and is for educational purposes only. Community members produce research on a voluntary basis and are not compensated by Messari. Messari is an open-source platform and these reports, along with the accompanying data, will be made available through messari.io and the soon to be launched Messari data library.

Reports published by Messari should never be considered investment advice, including but not limited to, an endorsement of a cryptoasset or a recommendation to buy or sell. The analyst that wrote this report maintains a position in cryptoassets, including the one covered in this report. Messari requires that employees disclose any holdings when reviewing or publishing community reports. This report was reviewed by Eric Turner, CFA. At the time of publication Eric had positions in bitcoin (BTC), ether (ETH), and dogecoin (DOGE).

Messari makes no guarantees to the completeness or accuracy of this information. If there is incorrect information in this report, please contact eric@messari.io, and we will update accordingly.