



Constitution of the Fantom Network

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Article 1 - General Principles

1. Fantom is a high-performance public blockchain that is operated and governed by the Community of its stakeholders. Its main purpose is to be a secure, efficient and scalable smart contract platform that will deliver guaranteed transaction capacity to its stakeholders at low and predictable cost while being economically viable over the long run.
2. The Fantom Community favours freedom of expression and the use of Fantom to host societally useful applications in areas such as smart cities, education or environmental sustainability. The Community shall take all necessary steps to combat the misuse of Fantom for any type of fraud, crime, hate speech or attacks on human dignity.
3. The immutability of bona fide transactions is guaranteed. However, in case of evident theft or fraud, the Fantom Community shall, whenever possible, take or approve measures to reverse the offending transactions.

Article 2 - Software and Infrastructure

1. All Fantom software is free and open-source.
2. In order to participate in the network, Fantom stakeholders must use the latest version of Fantom software as well as appropriate hardware.
3. The main physical infrastructure of Fantom is a global network of computers, which are its validating nodes. These are run by a class of prominent stakeholders called validators, who are compensated by receiving part of the network's transaction fees. The software running on Fantom validating nodes ensures fast settlement finality and includes incentives to encourage transaction capacity growth according to user demand.

Article 3 - Token Economy, Stakeholders and DApps

1. FTM is the native token of Fantom, with a fixed supply of 3,175,000,000. Its value is determined by supply and demand.
2. Transaction fees are expressed in the internal Fantom gas token FTG, the value of which is fixed against fiat and is subject to periodic revision to reflect declines in cloud computing and storage prices. FTG tokens can only be bought using FTM; they are not transferable, and no speculation in FTG is allowed.
3. The power of a stakeholder account is determined by a weighted average of its FTM token holdings (“weight”) and by its recent participation in network activity (“importance”). Separate power ratings are defined by type of activity: transacting power, validating power and voting power.
4. Fantom stakeholders are responsible for managing their own private keys and for ensuring that any DApps they deploy on the network are safe and free of bugs. A variety of tools will be made available to assist in the development of bug-free software, but ultimately it is the responsibility of the developers and stakeholders themselves. In addition, while the Fantom network itself is completely neutral and not subject to any particular legal system, users who deploy or use DApps are responsible for ensuring that they do so in compliance with their local laws.
5. The Fantom network shall be economically viable and self-funding. Transaction fees will remain low, fixed in terms of FTG, while still generating a reasonable profit for validators. Users will be able to vote to change fixed transaction costs.
6. A special-purpose vehicle (SPV) is integrated into the Fantom software to support the Fantom ecosystem. It will collect at least 25% of the transaction fees generated by the network. Stakeholders will decide on how FTM tokens held by the SPV are used.
7. All stakeholders shall be able to secure Guaranteed Transaction Slots, representing a percentage of network processing capacity, according to their transacting power.

Article 4 - Governance

1. The Fantom governance system shall ensure that decisions are reached through building consensus among stakeholders. It shall protect minority rights by avoiding decisions where there is strong resistance from a sufficiently large minority.
2. All Fantom stakeholders participate in governance according to their voting power.
3. The Fantom governing bodies are the Technical Committee, the Moderators, the Assembly and the Review Board.
4. Whenever possible, members of governing bodies will be selected by sortition, i.e. as a random sample from a pool of candidates. Elections shall be used only for positions where specialised technical knowledge is required.
5. The Fantom Foundation will nominate the first Technical Committee, the first team of Moderators and the first Review Board. Their tenure will last for six months after mainnet launch.

6. The Technical Committee provides advice on the technical feasibility and costs of change proposals. It is also in charge of urgent bug fixes and for responding to any emergencies.
7. Moderators facilitate off-chain discussions and debates and organise on-chain voting. Individual token holders do have the option to introduce proposals directly, although this may require a deposit of FTM tokens.
8. The Assembly of stakeholders votes on all decisions, except for emergency change proposals which are decided by the Technical Committee. The Assembly will however have a veto right for emergency changes.
9. The Review Board verifies whether decisions voted by the Assembly can be realistically implemented and whether they contradict the Constitution. It has final veto power over all decisions voted on by the Assembly, except for constitutional changes and for the removal of members of governing bodies.
10. Voting procedures depend on the type of decisions being taken. More important decisions shall generally require more time for discussion, larger majorities, and lower opposition. Range voting systems are preferred, but majority voting can be applied for emergency decisions and vetoes.
11. Governance rules may allow the delegation of voting rights.

Article 5 - Fantom Network Rules and Publication Channels

1. The rules governing Fantom, including governance rules and system parameters, are contained in a set of documents that together constitute the Fantom Network Rules. These Rules must conform to the Fantom Constitution.
2. The Fantom Foundation will publish a first version of the Fantom Network Rules applicable at mainnet launch, and will have the right to make adjustment to the rules during six subsequent months. Later changes will be made in accordance with governance rules.
3. The Fantom Network Rules are published in a public repository as decided and announced from time to time by the Moderators.

Article 6 - Constitutional Changes

1. The Fantom Constitution itself can only be changed by a majority vote of the Assembly, with at least 65% voting power in favour and a quorum of 50% voting power.
2. Notwithstanding the preceding clause, the substance of Article 1 of the Fantom Constitution cannot be modified, nor can any modifications to the Fantom Constitution contradict Article 1.

