

IOHK Launches Unique ‘Smart-Contract-Free’ Solution for Tokens on Cardano

- Cardano will be uniquely capable of representing any token, allowing unprecedented levels of interoperability for blockchain projects
- Solution will reduce human coding errors, remove inefficiencies, complexity, potential bugs and unnecessary costs
- Tokens from other chains will operate on Cardano, enjoying all the speed, security and reduced transaction costs that come with it

14th December, 2020: IOHK, the global blockchain research and development company, has announced a unique interoperability feature for its blockchain platform Cardano, which will allow it to handle non-native blockchain-based assets, or ‘tokens’, natively. This solution allows tokens from other chains, whether holding monetary value or not, can be represented on Cardano without the need for smart contracts or custom code. It also enables those assets to behave in a similar way to Cardano’s currency, ada, meaning that projects can take advantage of Cardano’s speed, security and reduced transaction costs.

The current tokenization process is inherently inefficient as it requires the creation and implementation of custom code. This adds a layer of complexity, cost (gas is needed to pay for the execution of the code), and inefficiency, as token code for both standards is replicated and adapted, rather than being part of the system itself. Beyond inefficiencies, this also leaves room for human error. If custom code is done sloppily, it can introduce bugs that could lead to financial loss, as was seen in 2017 when software bugs [led to the loss of \\$300m worth of ethereum’s cryptocurrency](#).

IOHK’s ‘native tokens’ solution for Cardano is set to change this. It removes the unnecessary layer of expensive complexity and inherent inefficiency by allowing third party tokens to operate on Cardano as if it was custom-designed blockchain for them, rather than having to clunkily adapt in order for the token to work on the chain. It also enables those assets to behave in a similar way to Cardano’s principal currency, ada, allowing projects to access market-leading levels of speed and security, and removing prohibitive gas costs.

The rollout of this solution will begin with a pre-production environment this month, with it set to go live on the Cardano mainnet in Q1 2021.

About IOHK

IOHK is an R&D and product engineering company, committed to using peer-to-peer innovations to provide 21st century services to the 3bn who don’t have them.

We build blockchain based products for governments, corporations and academic institutions and upskill people across the world, empowering them to solve the most pressing problems faced by people in their countries.

We have core beliefs in decentralization, privacy, economic identity and financial empowerment for everyone, and stand opposed to centralized control and bureaucracy.

For more information - including interview opportunities, contact:

media@iohk.io