The Crypto.Com Chain is not compliant with Ethfinex guidelines

Context:

Ethfinex proposes a badge to tokens who comply with a set of guidelines published here : https://ipfs.kleros.io/ipfs/QmVzwEBpGsbFY3UgyjA3SxgGXx3r5gFGynNpaoXkp6jenu/Ethfinex%20Court%20Policy.pdf.

Claim:

I claim that point 5.2 among guidelines is not fulfilled, thereby, Crypto.com Chain can't be granted with the Ethfinex badge.
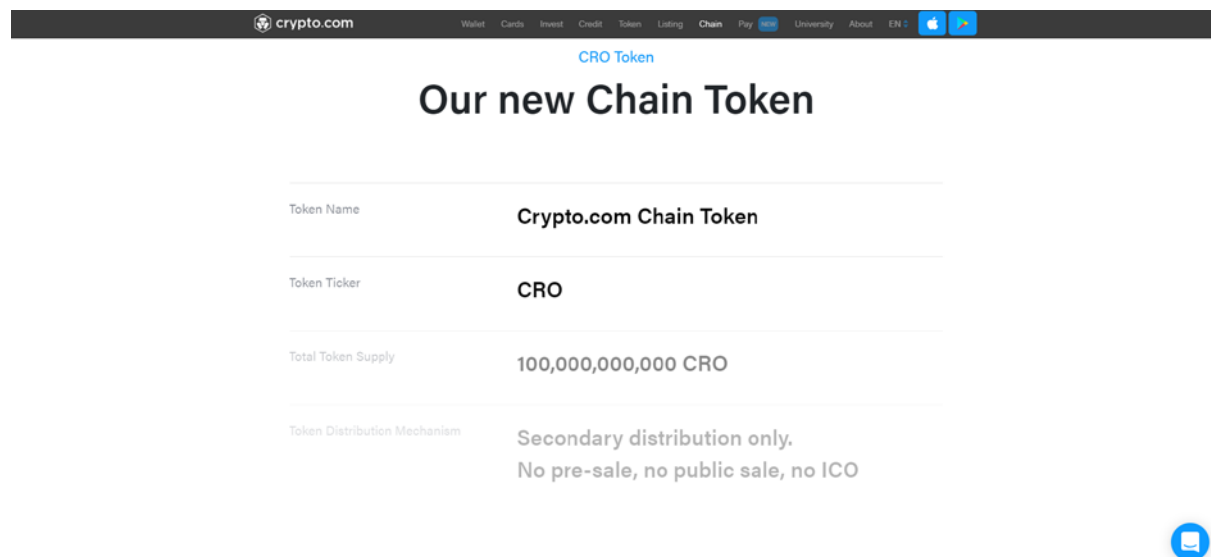
Evidences:

Point 5.2, about decentralization states: "At least 10% of the total supply is freely circulating in the market OR will be freely circulating after the token is released."

About total supply

Total supply of CRO token is 100,000,000,000 units as stated by:

1) The website of the issuer : https://crypto.com/en/chain.html

2) Etherscan.io (Ethereum explorer) : https://etherscan.io/token/0xa0b73e1ff0b80914ab6fe0444e65848c4c34450b
3) Ethplorer.io (Another Ethereum explorer) : https://ethplorer.io/address/0xa0b73e1ff0b80914ab6fe0444e65848c4c34450b

<u>About circulating supply</u>

1) Coinmarketcap.com method

We can see on coinmarketcap.com that the calculated circulating supply of Crypto.com chain tokens is 4 118 721 461 CRO to this day of 03/20/2019.

Methodology used by coinmarketcap.com in order to approximate circulating supply can be seen in point (7) of this webpage : https://coinmarketcap.com/fr/methodology/. It's reasonable to say that chances are low that circulating supply provided by coinmarketcap.com is off by a factor of 2.43, which is necessary in order to respect the 10% of the guidelines.

2) Blockchain analysis

A quick review of the Ethereum blockchain shows me that at least **95.88% of the total supply is detained by addresses that are directly controlled by the issuer**.

Both on etherscan.io and ethplorer.io can be seen the top holders of CRO tokens.

I investigated the 5 first addresses:

- 0x35f517cab9a37bc31091c2f155d965af84e0bc85 => 26.5479% of total supply
- 0x71507ee19cbc0c87ff2b5e05d161efe2aac4ee07 => 20%
- 0x22e4f709fd5e7fe246fbf7e714ae89bdab7e2a5d => 20%
- 0xdda508f9f3c1b4ca39c8794df3a080298ebe9c55 => 20%
- 0x67703f7d089f3ac7c8c13a18b2381cbd7ee3eded => 9.33333333%

They represent 95.88% of total supply. To show why tokens in theses addresses are not part of the circulating supply, a quick explanation of my method is necessary.

By circulating supply is intended tokens that are freely exchanged in the market. This definition can be subjective, we must consider tokens that are possessed by custodial companies who can aggregate tokens in large quantities in addresses, without legally have ownership of tokens on it. Thereby, **in most cases**, on-chain addresses can't be reliable to tell about distribution of a token without further investigation.

But one case exists, which clear all doubts about ownership, it's when all tokens from an address are coming from the initial minting process of the token.

And that is precisely the case for the 5 addresses listed above. All funds are here from minting, they chose the "from address" of the minting process, the genesis address [0x0000000000000000000000000000000000000000](#) which is a common convention.

It's no surprise that we found these 5 addresses by looking at the genesis address itself : [0x0000000000000000000000000000000000000000](#)

We conclude that these addresses are owned by the issuer, there is no way they belong to a custodial exchange. All tokens still inside can't be considered as in the circulating supply.

Conclusion
By still controlling and stacking 95.88% of the total supply, Crypto.com Chain doesn't fulfilled point 5.2 of the guidelines, which leads to a denial of the badge.