Tezos (XTZ)

About: Tezos is a new platform for smart contracts and decentralized applications.

Tezos' is a blockchain project that aims to offer "the world's first 'self-amending' cryptocurrency"

Self-amendment allows Tezos to upgrade itself without having to split ("fork") the network into two different blockchains. This is important as the suggestion or expectation of a fork can divide the community, alter stakeholder incentives, and disrupt the network effects that are formed over time. Because of self-amendment, coordination and execution costs for protocol upgrades are reduced and future innovations can be seamlessly implemented.

Technology : Proof-of-Stake

Tezos' unique proof-of-stake consensus algorithm gives every stakeholder the opportunity to participate in the validation of transactions on the network and be rewarded by the protocol for doing so.

Advantages:

1. **On-Chain Governance :** The Tezos protocol offers a formal process through which stakeholders can efficiently govern the protocol and implement future innovations.

2. **Security :** The Tezos blockchain was designed to facilitate formal verification, which helps secure smart contracts and avoid buggy code.

3. **Decentralized Innovation:** Proposed amendments that are accepted by stakeholders can include payment to individuals or groups that improve the protocol. This funding mechanism encourages robust participation and decentralizes the maintenance of the network.

4. **Delegation :** In PoS, a security deposit is required to participate in the consensus process. As in proof-of-work, the consensus protocol relies on an honest majority for its security which is incentivized directly by the Tezos protocol by penalizing dishonest behavior and rewarding honest behavior.

5. **Smart Contracts & Formal Verification :** Tezos offers a platform to create smart contracts and build decentralized applications that cannot be censored or shut-down by third parties. Furthermore, Tezos facilitates formal verification, a technique used to improve security by mathematically proving properties about programs such as smart contracts. This technique, if used properly, can help avoid costly bugs and the contentious debates that follow.