

Komodo Town Hall #4 Meeting Summary



On January 31, we held a Komodo Town Hall to discuss the most recent project updates. Here is a summary of what we discussed.

Key Regulatory Updates (presented by Polycryptoblog)

1. Trading Interface Status

- The team has temporarily frozen trading through their official interface as a precautionary measure to address regulatory compliance requirements. While the official interface is halted, being an open-source project means that users can still create and use their own interfaces, though they would need to accept all associated risks and responsibilities.

2. Regulatory Framework

- The implementation of MiCA (EU regulations) varies significantly between countries, with some nations like France adopting broader interpretations that could impact crypto projects more extensively. This regulatory landscape is further complicated by additional requirements from countries like South Korea and Singapore, while the US has introduced even stricter regulations than MiCA.
- These regulatory changes will affect not just Komodo but also the entire crypto ecosystem, including major players like Uniswap and MetaMask. All crypto interfaces that deal with US customers will likely be required to implement KYC measures.

3. KYC/AML Implementation

- The planned implementation includes several key components: IP Geo-blocking for restricted areas, sanctioned screening through systems like OFAC, and basic KYC requirements including name, address, and government ID verification. This system will help protect users from interacting with sanctioned addresses and prevent potential fund-freezing issues.
- To make the KYC process more appealing, the team is considering implementing a membership scheme that would provide benefits such as reduced fees, special trading privileges, and other incentives. The timeline for full implementation is estimated at around 6 months, though the team emphasizes that KYC will only be required for DEX functionality, not basic wallet features.

Development Roadmap 2025 (presented by Shamardy)

Q1 2025

- The primary focus will be on implementing compliance work for both KDF and GUI systems, ensuring they meet new regulatory requirements while maintaining functionality. This quarter will also see the completion of major items from the previous year, including the KMD burn program for all atomic swaps (previously implemented on [KMD trading pairs](#)), HD wallet support, custom token support, and the creation of a unified codebase that works seamlessly across mobile and desktop platforms.

Q2 2025

- The team plans to make significant improvements to the swap process and DEX usability. This includes implementing a trading protocol upgrade for both EVM and UTXO systems, with legacy protocols maintaining compatibility through fallback mechanisms. Additionally, they will focus on developing liquidity routing tokens with an initial emphasis on EVM integration through 1inch and advancing current LP tools beyond the simple market maker currently in place.

Q3 2025

- This quarter will concentrate on enhancing trading volumes and embedding liquidity mechanisms to improve overall market functionality. The team will pursue CoinMarketCap integration while simultaneously conducting comprehensive security assessments of KDF and GUI code. They will also perform stress testing on the DEX network to ensure robust performance under various conditions.

Q4 2025

- The final quarter will focus on the modularization of KDF, a crucial step that will make it easier for third parties to integrate new protocols without requiring deep knowledge of KDF's internal workings. This improvement aims to reduce the current steep learning curve and make the platform more accessible to external developers working with various protocols like Solana.

Future Plans and Updates

1. Proof of Stake Transition

- The team is preparing for a significant transition to a Proof of Stake system, following the approval of KIP 0004. This change is being carefully considered alongside the potential implementation of an EVM stack, which would enable access to mainstream smart contracts and increased utility features. Community voting in Q2 will address these changes, along with proposals for block size capping and potential halving implementation.

2. Token Utility

- The transition to Proof of Stake will introduce new staking mechanisms that should positively impact KMD tokenomics through increased token lockup. The team is also implementing DEX fees and considering various utility enhancements, particularly if the EVM environment is adopted. This could include gambling mechanisms and other DApp functionalities that would expand KMD's use cases.

Community Concerns and Questions

- The community raised important questions about KYC requirements for non-custodial wallets, with the team explaining that while basic wallet functionality will remain KYC-free, DEX features will require compliance due to regulatory requirements around facilitating trades between third parties.
- Several members expressed concerns about the future of crypto decentralization in light of increasing regulations. The team acknowledged these concerns while emphasizing the need to adapt to changing regulatory landscapes proactively rather than reactively.
- Questions about iOS app development revealed that the team is in the final stages of security review, with an expected release in the coming week, though the exact timing depends on the app store review process.