Twitter Thread by Scott Chamberlain



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Seen lots of #“buidl” comments from the #xrpcommmunity. Now, more than ever, you should support changes like Richard Holland’s Hooks for the #XRPL . Let me explain why.

I’ve worked with Richard for several years trying to build on the XRPL. It’s cheap, fast, secure and has the potential to mint tokens. So, why not use it, right? For example, we worked on a self-KYC identity solution called iXRPL. 2/n

It stamps your XRP account with a token from an identity provider that confirms you have KYC’d yourself and allows you to grant single-use access to the underlying data for exchanges seeking to confirm your identity. 3/n

It protects against fraud (e.g. deal only with stamped accounts) and solves the proposed FinCEN rule of KYC’ing private wallets. Everything is encrypted and decentralised and runs on unique consensus protocol Richard developed called HotPocket. We will showcase it soon. 4/n

But for other uses, we kept running into a problem: tokens on the xrpl are controlled by keys, not code. You can split the keys, but you always end up with someone controlling the secrets and those secrets have to be held somewhere. 5/n

This meant XRPL tokens always had a counterparty. And after the SEC action against Ripple everyone can see how important it might be for an asset to have no perceived counterparty. 6/n

It also means there is always a custodian and a honeypot. This is a problem for various reasons, mostly to do with legal liability under various guises, be it Money Services Business, Securities or just consumer law and tort obligations as a holder of someone else’s value. 7/n

This differs from Ethereum where the token can be controlled by the protocol. Contracts have their own address, instead of interacting with accounts. You can throw away the keys and everything still works. 8/n

Richard conceived of Hooks as a way around this problem for the xrpl. Essentially, tokens can be controlled by very small amounts of code, rather than keys. So tokens created on the xrpl can effectively held by the xrpl, rather than any set of individuals. 9/n

The Hooks can then interact with other protocols and “second layers”, allowing more elaborate and sophisticated smart contract platforms to interact with the xrpl to direct how tokens are held/transferred/escrowed etc. Hooks are truly powerful. 10/n

With Richard, I am working on a specialised dapp/smart contract layer able to interact with Hooks on the XRPL (and all other chains). This would bring trustless and powerful smart contracts to the XRPL, including XRP collateralised stablecoins and other forms of defi. 11/n

More soon… follow along if you’re excited for updates early in the New Year. 12/end

Link in first tweet didn't work... learn about Hooks here... https://t.co/iLoNPpIk3n
1/n