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BURST demonstrates Smart Contracts and Automated Transactions: the Lottery Case

We are utterly delighted to follow up on our press release on BURST's implementation of Smart Contracts and Automated Transactions (2015-01-22), with a depiction of an actual use case where these innovations are utilized. Due to their many areas of implementation and strong security, Smart Contracts (SC), sometimes referred to as Automated Transactions (AT), has recently become the center of discussions and development in the world of crypto. Should this technology spread, it is not unimaginable that the financial sector will need to reorganize to a certain degree. Simply put, SC and AT enable numerous and various operations to be run on a traditional blockchain – created by ordinary users without institutions and intermediaries.

The reason for SC's and AT's name is that they allow people to agree on a contract, in form of a piece of code, ahead of time. By agreeing on the terms, the participants trustlessly know that *if* they submit the code to the network, then it *will* be completed, automatically, as agreed upon. The arguments can be modified as desired. For those seeking more in-depth knowledge, we kindly refer to the Sources below.

The Lottery Case: A proof-of-concept

For the sake of simplicity, we have chosen a traditional Lottery case. During a fixed period of time, participants were allowed to send BurstCoins to the Lottery account. Using a Turing Complete system built into BURST's blockchain, it became the first ever program to run on top of a blockchain in a trustless, decentralized manner. When participants submit coins to the AT account, these transactions are processed to a random ticket. After a pre-programmed number of blocks the AT lottery pays the winners the total amount of the tickets purchased.

This proof-of-concept will remain in history as the first of its kind. Even if we are now beginning to implement more advanced SC's and AT's, such as crowdfunding, a Lottery like this can be created by every BURST user. We will, of course, report on further development of BURST.

About BURST

If this is your first time hearing about BURST, its biggest feature is that BURST is the world's first Proof of Capacity (POC) coin. POC has a lot of advantages over both Proof of Stake (with known security problems) and the energy-consuming-beast Proof of Work. Only a small segment of your 'pre-plotted' hard disk drive is read every block; another reason for BURST's energy efficiency is that no power hungry graphics cards are used. Mining is also practically silent as hard disk drives of today are very quiet. Additionally, BURST is also ASIC proof, allowing the every-day-user to mine using an ordinary PC with some empty space on the hard drive. As BURST is an innovative fork of Nxt, it also offers an Asset Exchange as well as Marketplace built directly into the wallet.

Relevant Sources

http://burstcoin.info/pr/sc/
https://bitcointalk.org/index.php?topic=731923.msg10254497#msg10254497
http://ciyam.org/at/at_atomic.html
http://ciyam.org/at/at_lottery.html

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