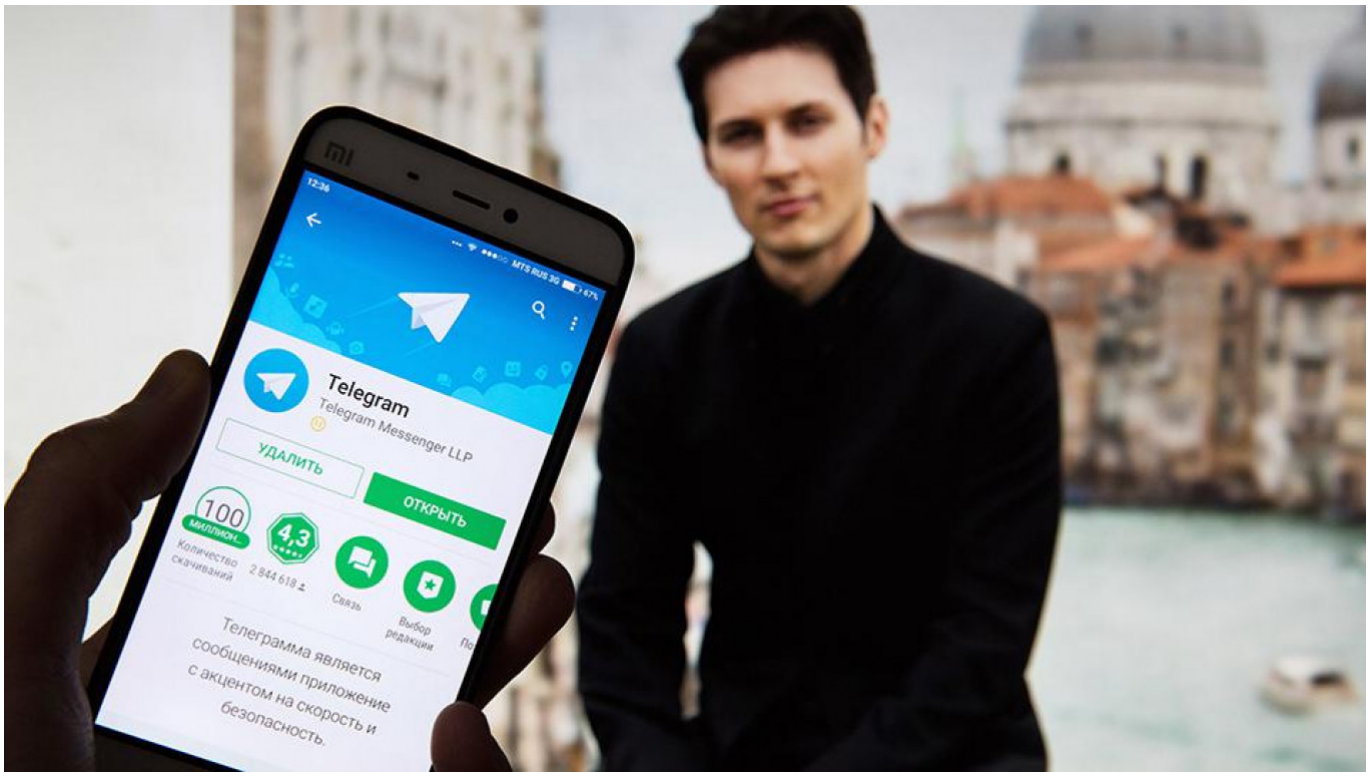
The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Telegram Messenger Could Start Testing Crypto Platform in September

Telegram entrepreneur Durov raised $1.7 billion last March with one of the most successful ICOs of all time.

By bne IntelliNews

August 29, 2019



In the white paper for the ICO Telegram pledged that TON will be able to process transactions faster than Bitcon and Ethereum. **Alexei Zotov / TASS**

Russian self-exiled digital entrepreneur Pavel Durov's Telegram messenger could start testing its blockchain network TON (Telegram Open Network) on Sept. 1, the *Vedomosti* daily reported on Aug. 28 citing unnamed investors in TON.

Durov raised $1.7 billion last March with one of the most successful Initial Coin Offerings (ICOs) of all time and has used part of the proceeds to develop TON, which is intended to create a universal blockchain infrastructure based on its speed operation and its inclusion of "smart contracts" — pieces of code that can be tasked to carry out functions such as make

payments or send reports.

Related article: Russian Outlets Self-Censor Over Telegram Row

Reportedly in the testing phase, the blockchain code nodes will be available as open source, as well as other blockchain database management tools such as shards and consensus, which would allow a test-run of TON.

In the white paper for the ICO, Telegram pledged that TON will be able to process transactions faster than Bitcon and Ethereum, and even compete with traditional payment systems Visa and Mastercard. TON's target audience was projected to exceed 200 million users, while the obligation to investors is to have an operational network launched by Oct. 31, 2019.

The New York Times reported on Aug. 27, citing three unnamed investors, that Telegram will make it in time, with the first transactions in "Gram" cryptocurrency to be launched in the next few months. The first reports that Telegram may issue a token "Gram" arrived in late 2017, at the peak of the crypto/blockchain hype.

Related article: Why It Was Time for Pavel Durov to Bid Russia Goodbye (Op-ed)

Telegram was launched by Durov, the founder and former owner of Vkontakte, the Russian answer to Facebook, and his brother Nikolai in 2013. But the instant encrypted messaging service gained popularity over the last couple of years as it demonstrated higher security and reliability than competing services.

The service's encryption has proven to be so secure that the Russian Federal Security Service (FSB) demanded the encryption key to the service earlier this year — a request that Durov denied. The authorities then tried to close the Telegram service down in what turned into a fiasco. In the meantime, Telegram's usership had increased to 3.7 million in Russia in July and includes many government employees amongst its users who don't want to reveal their communications to the FSB.

Although shrouded in secrecy, TON has provided fodder for great expectations and grave fears, and the latter might be behind Telegram's spat with Russian authorities a year ago over refusal to share encryption keys with the FSB.

Last year, at the height of the Telegram controversy, Russian business daily RBC published an internal memo from an FSB officer, in which he allegedly told colleagues that the conflict was not about "the [encryption] keys " but about fears that TON could create an "absolutely uncontrollable" financial system in Russia.

This article first appeared in bne IntelliNews.

Original url:
https://www.themoscowtimes.com/2019/08/29/telegram-messenger-could-start-testing-crypto-platform-in-september-a67071