

# 1inch Network Fusion Swap Terms of Use for Resolvers

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Effective from: May 01, 2023

These terms only govern the use of 1inch Fusion Mode by Resolvers.

Third parties that wish to become Resolvers must fulfill the registration requirements set out at <https://docs.1inch.io/docs/fusion-swap/how-to-become-resolver> (the "**Resolver Registration Requirements**") and, together, with these Fusion Swap Terms of Use for Resolvers, the "**Fusion Mode Terms and Policies**").

As the Fusion Mode is available on 1inch Network Interface, please note that the 1inch Network Interface [Terms of Use](#) and [Privacy Policy](#) are also applicable to your use of 1inch Fusion Mode.

When you undertake actions to become a Resolver, you agree that you have read, understood, and accepted all the terms set out below or incorporated herein by reference. By registering as a Resolver, you are bound by these and all the provisions incorporated by reference and agree to regularly, diligently, and at its sole cost conduct know your customer (KYC), know your business (KYB), and anti-money laundering (AML) compliance checks, screening and monitoring of any Resolver related activity as required by applicable local and international anti-money laundering laws, principles, procedures or regulations.

Extra terms or provisions to the Fusion Mode Terms and Policies could be added and may be updated from time to time by posting the updated version without notice. The changes will become effective and shall be deemed accepted by you, the first time you use or access 1inch Fusion Mode after the initial posting of the revised Terms and shall apply on a going-forward basis with respect to your use of 1inch Fusion Mode. If you do not agree with any such modification, your sole and exclusive remedy is to terminate your use of 1inch Fusion Mode.

Please read these terms carefully. If you do not agree to the Fusion Mode Terms and Policies please do not use 1inch Fusion Mode.

## Definitions

- "1inch Fusion Mode" refers to the gasless swap feature that is available with 1inch Aggregation Router and 1inch Limit Order Protocol which is a cutting-edge discovery and routing algorithm which offers cryptocurrency at the best rates on the market. It is accommodated by a set of open-source smart contracts.
- "1inch Limit Order Contract" refers to the smart contract deployed by 1inch and used for setting limit orders. 1inch Limit Order Contract is an element of the 1inch Limit Order Protocol.

- “1inch Network” refers to the decentralized protocols and products whose synergy enables operations in the DeFi space by offering access to hundreds of liquidity sources across multiple chains.
- “1inch Relay” refers to a back end that distributes the confirmed Fusion Order among the Resolvers.
- “1INCH Token” refers to a governance and utility token of the 1inch Network.
- “Filled Order” refers to a successfully executed Fusion Order (partially or fully filled) that is recorded in the blockchain.
- “Fusion Order” refers to a gasless swap request submitted by the Maker to be filled by a third party called the Resolver that is technically formed as a limit order through 1inch Limit Order Protocol and a set of smart contracts that enables onchain interactions. .
- “Gas Units” refers to the amount of computational resources required to fill the Fusion Order by the Resolver.
- “Gas Fee” refers to the total amount of the monetary fee to be paid to fill the Fusion Order (regardless of whether the Fusion Order has been filled or not) which is calculated as the units of gas used (limit) multiplied by the Gas Price:  $\text{Gas Fee} = \text{Gas Units used} * \text{Gas Price}$ .
- “Gas Price” refers to the value for each unit of gas which is determined by the following components: (a) the “Base Fee” and the “Priority Fee” where the Base Fee is the value set by the protocol calculated based on the size of the previous block in proportion to the targeted size of the order, while the Priority Fee is an additional fee on top of the Base Fee to incentivize the nodes; or (b) for transactions without Priority Fee - the “Median Gas Price in the Block” that refers to the average value of all gas prices included within the block.
- “Initiated Order” refers to the Fusion Order placed by the Maker through the 1inch Fusion Mode that has not yet been filled.
- “Maker” refers to anybody who accesses or uses 1inch Fusion Mode to initiate a Fusion Order without paying gas fees.
- “Resolver”, “Taker”, “You” refers to any individual or legal entity that has been registered and whitelisted to fill the Fusion Order.
- “Resolver-Worker Contract” refers to the smart contract or an externally owned account (EOA) set by the Resolver for each network that is whitelisted to be able to call the 1inch Settlement Contract.
- “1inch Settlement Contract” refers to the smart contract deployed by 1inch that acts as an intermediary between the Resolver-Worker Contract and the 1inch Limit Order Contract. It employs the Dutch auction logic with the limit price decreasing over time.

## Eligibility

As mentioned above, these terms govern the use of 1inch Fusion Mode by the Resolvers.

**In order to be registered as the Resolver, you must:**

- comply with all the terms and conditions set forth herein;
- comply with eligibility requirements set forth in the [1inch Network Interface Terms of Use](#);
- complete a verification procedure accessible directly at [1inchfoundation.synaps.me](https://1inchfoundation.synaps.me);
- constantly go through the TRM labs AML screening process described at: <https://help.1inch.io/en/articles/6588963-address-screening>; and
- fulfill the required actions as described in the Resolver Registration Requirements.

The verification procedure aims to ensure that each Resolver is a safe actor within the 1inch Network. As a part of the KYC/KYB process, you may be asked to answer several questions and upload basic identifying documents. Also, the AML compliance tools are used to track and monitor potential bad actors and any kind of illicit activity within the blockchain networks.

The data is collected to comply with applicable legal and regulatory obligations (e.g. anti-money-laundering or sanctions laws/regulations) in order to verify your identity and determine your legal eligibility. This data is securely maintained and disclosed only when permitted by law. For more information on how your personal data is processed please read [1inch Network Interface Privacy Policy](#).

**If you do not provide the required information and/or identifying documents, you will not be able to be registered and enlisted as the Resolver.**

Please note that you are solely responsible for the accuracy and completeness of the data provided. If any information and/or identifying documents change, you must inform the 1inch Network representative at [foundation@1inch.io](mailto:foundation@1inch.io) without delay. You may be required to complete the verification process again.

**By registering, you acknowledge, warrant, and agree that:**

- you are solely responsible for any decision to use the 1inch Fusion Mode, including the evaluation of any and all risks related to any order;
- incentives and/or refunds are granted and calculated in the manner set out in the Fusion Mode Terms and Policies which may be changed from time to time without notice;
- there is no guarantee that there will be any use for, or any particular amount available for any incentives and/or refunds you receive according to the Fusion Mode Terms and Policies, other than explicitly mentioned herein;
- you engage in the Fusion Order's auction entirely at your own risk and there is no representations or warranties as to the code security or ongoing availability of such services or that your access will be uninterrupted, timely, or secure at all times;
- you may be removed from the list of the Resolvers at any time without notice in the event of any breach of the Fusion Mode Terms and Policies at 1inch Network representative's sole discretion, including without limitation, any failure to comply with the Resolver Registration Requirements, the Resolver Incentive Program and/or the Resolver Gas Refund Program Eligibility Requirements.

## Resolver Gas Refund Program Eligibility Requirements

The Resolver Gas Refund Program is subject to the following terms, all three conditions are applicable:

- The Resolver Gas Refund Program is not intended to refund the total amount of the Gas Fee. Only Base Fee shall be refunded.
- The amount of gas refund is calculated as follows:  $\text{gas refund} = \text{settleOrders function call gas used} - (\text{minus}) \text{ resolveOrders function call gas used}$  (the “Gas Refund”).

Where the “settleOrders” refers to the method used to call the 1inch Settlement Contract containing information about the total Base Fee to fill the Fusion Order; and the “resolveOrders” refers to the method used to call back the Resolver-Worker Contract containing information previously received in interactions between the 1inch Settlement Contract and 1inch Limit Order Contract.

- Only Fusion Orders distributed via the 1inch Relay and executed in Ethereum are subject to the Resolver Gas Refund Program.

By using the 1inch Fusion Mode, the Resolver undertakes to fill the Fusion Orders by its own capacities and resources. The Resolver shall neither use any development tool, software, technology, and/or any other solution of any individual or legal entity that is registered and whitelisted as the Resolver, or any other third-party (anyone other than the Resolver’s employees, affiliates, or contributors), neither receive any monetary or other compensation for filling the Fusion Orders from them, except as outlined by these Fusion Mode Terms and Policies. In doing so, the Resolver may be seen as acting in a bad faith.

Any action by the Resolver in bad faith, abusing or not complying with the terms and conditions herein, shall be deemed a violation of the Fusion Mode Terms and Policies and may affect the Resolver’s eligibility to participate in the Resolver Gas Refund Program or the Resolver’s use of the Fusion Mode may be impacted or terminated.

*Please note that each case is individually assessed based on its specific circumstances.*

## Resolver Gas Refund Program System

In the course of the Resolver Gas Refund Program around 10,000,000 (ten million) 1INCH Tokens will be distributed among the Resolvers as the Gas Refund each month (the “Refund Period”) for filling the Fusion Orders until they are burned out.

The 1INCH Tokens are credited in the month following the month in which the Fusion Orders are initiated and/or filled. The frequency of the Gas Refund distribution may be subject to changes.

Each Resolver shall receive a maximum of 1,000,000 (one million) 1INCH Tokens as the Gas Refund per month. Upon the receipt of 1,000,000 (one million) 1INCH Tokens as the Gas Refund, the Resolver shall be bound to continue filling the Fusion Orders. Failure to meet this requirement may result in the Resolver being deemed ineligible to receive the Gas Refund in the next Refund Period.

## **Resolver Incentive Program Eligibility Requirements**

The 1inch Resolver Incentive Program was launched on December 24, 2022, to incentivize Fusion infrastructure by distributing 1INCH Tokens among the Resolvers filling the Fusion Orders.

To qualify to receive 1INCH Tokens under the Resolver Incentive Program, the Resolver shall meet all the eligibility requirements outlined in these Fusion Mode Terms and Policies, including the Resolver Gas Refund Program Eligibility Requirements (the “Eligible Resolvers”).

## **Resolver Incentive Program System**

In the course of the Resolver Incentive Program around 10,000,000 (ten million) 1INCH Tokens will be distributed until they are burned out (the “Incentives”).

Each month (the “Distribution Period”) the amount of around 1,000,000 (one million) 1INCH Tokens (the “Total Amount”) will be allocated among the Eligible Resolvers in proportion to their share of the Filled Orders during the respective Refund period of the Resolver Gas Refund Program. Accordingly, the Resolver who has executed the largest number of the Filled Orders shall receive the largest number of the Incentives within the Total Amount of the Incentives.

The Incentives are credited in the month following the month in which the Fusion Orders are filled. The frequency of the Incentives distribution may be subject to changes.

1INCH Tokens received by the Eligible Resolvers within the Resolver Incentive Program are intended to be used within the Fusion infrastructure and provided to the joint delegates proportionally to the delegated “unicorn power” and time spent delegating. The Incentives shall be distributed by the Resolvers among the joint delegates no later than within 1 (one) month following the Distribution Period. Any other use of the 1INCH Tokens distributed through the Resolver Incentive Program is not encouraged and may result in the Resolver being deemed ineligible to receive 1INCH Tokens in the next Distribution Period.

**Please note that the Resolvers’ activities are monitored regularly on a monthly basis to identify any suspicious behavior or misuse of the Fusion Mode Terms and Policies. The Fusion Mode Terms and Policies may be modified or adjusted from time to time based on the results of such monitoring. Please revisit this page to stay informed.**