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Polygon token MATIC to be upgraded to 'POL', how will the conversion work?



Polygon will upgrade its native token from [MATIC](#) to POL on September 4, 2024, and the move from MATIC to POL reflects Polygon's broader ambitions to evolve from a standalone Proof of Stake (PoS) network to a thriving ecosystem of multiple blockchains powered by Zero Knowledge (ZK) technology.

In the process, [Polygon](#) hopes to create a crypto ecosystem that is as easy to use as the Internet as we know it today.

Why is Polygon migrating its native tokens from MATIC to POL, and what are the highlights of POL tokens? How will the migration work? Here's everything you need to know about Polygon's new POL token.

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Reasons for the emergence of POL tokens: Polygon AggLayer

Most of you may know Polygon as an Ethereum (ETH) sidechain, known for its speed and affordability. The development of the [cryptocurrency](#) dates back to 2017, when Jaynti Kanani and Sandeep Nailwal founded the PoS blockchain Matic Network. In 2021, Matic changed its name to Polygon, positioning itself as an effective Ether scaling solution that is rapidly gaining popularity.

Fast forward to today and Polygon is pioneering a new blockchain ecosystem called "AggLayer". Defined by Polygon as "a horizontally scalable multi-chain network that facilitates shared mobility and state access across multiple interconnections," AggLayer represents the next step in blockchain technology. In layman's terms, this aggregation layer will host multiple ZK-supported Layer 1 (L1) and Layer 2 (L2) blockchains, which will be protected by a unified set of verifiers. The end result is a seamless ecosystem within Polygon's AggLayer, where [NEAR](#) real-time cross-chain transactions are a reality.

AggLayer is Polygon's revolutionary concept that will change the blockchain landscape. With a single cross-link bridge to Ethereum L1, it eliminates the need for each individual blockchain to maintain a separate bridge to Ethereum. This simplified approach will increase the efficiency and interoperability of the entire blockchain ecosystem. As envisioned by Polygon, AggLayer will simplify the creation of new L1 and L2 chains by providing developers with the Polygon Chain Development Kit (CDK). In addition, the launch of the Polygon zkEVM Proofing Kit enables developers to convert existing EVM chains to [ZK](#) L2 and seamlessly integrate them into Polygon's AggLayer.

By aggregating mobility and security guarantees, AggLayer solves a major user experience challenge in the crypto space: making multi-sovereign blockchains feel as intuitive as using the familiar Internet," Polygon said.

The new POL token is a key part of Polygon's vision for the AggLayer Layer. Verifiers must pledge POLs to enable them to verify multiple chains within the AggLayer, thereby enhancing the security and stability of the entire network.

What are POL Tokens? What are the highlights?

POL, Polygon's new state-of-the-art system token, will replace MATIC on a 1:1 basis, marking a significant shift in the operation of the blockchain network. Beginning September 4, 2024, POL will take over the Gas fee payment and pledge tokens for the Polygon Proof of Stake blockchain. Polygon says that following the success of [BTC](#) and ETH, POL will launch a "third generation" of crypto tokens by expanding the utility of the tokens and increasing the incentives for verifiers. According to the official information, the new POL tokens will have the following highlights:

1. Shared security

Among the key improvements that POL brings to the existing MATIC tokens is shared security. With POL, verifiers will be able to verify multiple chains, thus enhancing the overall security of the Polygon ecosystem. This innovation alone distinguishes POL from its predecessor.

2. Increase motivation

In addition, POL has introduced additional incentives for Verifiers. The Polygon chain will now offer a variety of roles and additional incentives to provide Verifiers with more opportunities to earn money and contribute to the stability and growth of the network.

3. Additional validator role

POL brings an additional verifier role through Polygon's AggLayer. This layer allows validators to generate ZK certificates and participate in data availability committees, further enhancing the integrity and transparency of the blockchain.

4. Community Vault

Polygon proposes to introduce ongoing POL emissions to fund a community pool that will allocate resources for protocol development, research, grants and adoption incentives. This innovative approach will ensure a stable source of funding for the development and enhancement of Polygon's ecosystem. In addition, Polygon has announced that POL holders will manage the Community Vault, giving them a direct say in how the funds are spent.

In short, POL is not only a replacement for MATIC, but an advancement in cryptocurrency development. By introducing shared security, increased incentives, and an additional role as an authenticator, Polygon is positioning POL as a token that will drive the future of its blockchain network and the crypto industry as a whole.

Polygon emphasizes that each chain in its ecosystem will have the right to choose its own preferred Gas Fee Token. By default, POL will be the Gas Fee Token for Polygon's PoS chains. However, Polygon recognizes the significant user experience benefits of using [ETH](#) to pay for Gas on the Layer 2 chain. This not only enhances the overall user experience, but also increases adoption rates and verifier fees. This flexible and forward-thinking approach has made Polygon a leader in the cryptocurrency and financial space, adapting to the ever-changing needs of its users and the marketplace.

POL Token Economics

The initial mintage of POL tokens is 10 billion, which is equivalent to the total amount of MATIC.

Based on the information available at this time, POL will provide pledge incentives to holders at an annual emissions rate of 1%. In addition, in order to fund community finances, POL's compounded annual emissions are 1%. This dual emissions strategy not only rewards token holders, but also ensures ongoing community funding, demonstrating POL's commitment to growth and stability. Investors and community members can expect a token that combines value-added with community support.

How to switch from MATIC to POL?

If you are a MATIC holder on the Polygon PoS chain, no action is required. When the upgrade goes live on September 4, 2024, your tokens will be automatically converted to POL.

If you hold MATIC tokens on Ether and Polygon zkEVM, you will need to exchange MATIC tokens via a migration contract.

Users of centralized exchanges may have to convert MATIC to POL manually, although some exchanges such as Nexo have stated that they will handle the conversion automatically.

However, there is no rush for MATIC holders to convert their tokens to POL. Polygon has not yet set a deadline for MATIC holders on Ether and Polygon zkEVM to upgrade to POL. Therefore, if your MATIC tokens are deposited in a liquidity pool or locked in a pledge contract, you can upgrade to POL at your convenience.

Conclusion

The launch of the POL token marks the beginning of an ambitious new chapter for Polygon. As a highly efficient blockchain platform, Polygon PoS already hosts well-known decentralized applications such as PolyMarket, a prediction marketplace, Lens Protocol, a decentralized social platform, and Sunflower Land, a play-for-money game. Now, with the integration of POL tokens and AggLayer, Polygon is poised to address long-standing issues in the crypto industry, including blockchain fragmentation and various user experience challenges. Now, through the integration of POL tokens and AggLayer, Polygon is poised to address long-standing issues in the crypto industry, including blockchain fragmentation and various user experience challenges. This strategic move not only underscores Polygon's commitment to enhancing its blockchain capabilities, but also positions it as a key player in shaping the future of the cryptocurrency landscape.