

# Shylock Finance

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[Dashboard](#)[Lending](#)[Governance](#)[Liquidation](#)

4.463 AVAX



5297.eth

# Welcome to Shylock Finance

Unlock Boundless Opportunities with Your DAO Activities.

[Get Started](#)[Learn more](#)

## What is Shylock Finance?

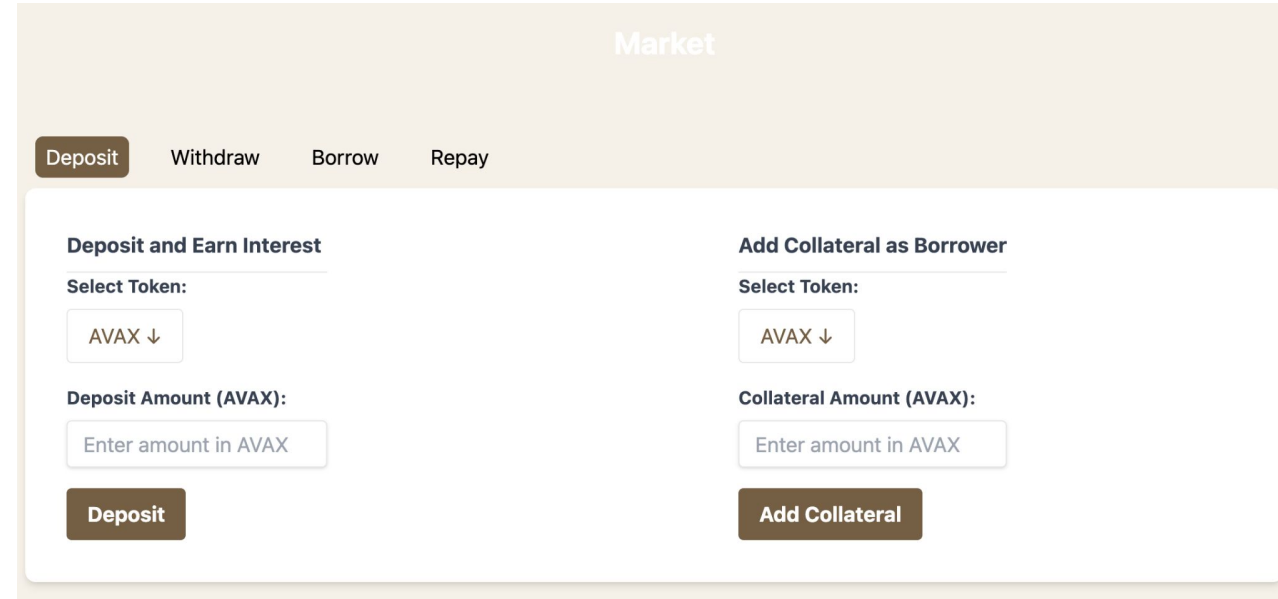
It's a lending protocol

### Novel Features

- **Under-collateralized** lending
- **DAO** membership and user credit score
- Cross-chain lend and deposit using **CCIP**
- KYC using DID with **Polygon ID**

### Compound-like features

- **Compound Protocol**: Market-proven and robust protocol
- Similar algorithms for lend, borrow, deposit, liquidation.
- **shToken**: The successor of cToken



The image shows a screenshot of the Shylock Finance 'Market' interface. At the top, the word 'Market' is displayed in a light beige header. Below this, there are four tabs: 'Deposit' (highlighted in brown), 'Withdraw', 'Borrow', and 'Repay'. The main content area is divided into two columns. The left column is titled 'Deposit and Earn Interest' and contains a 'Select Token:' dropdown menu with 'AVAX' selected, a 'Deposit Amount (AVAX):' input field with the placeholder 'Enter amount in AVAX', and a brown 'Deposit' button. The right column is titled 'Add Collateral as Borrower' and contains a 'Select Token:' dropdown menu with 'AVAX' selected, a 'Collateral Amount (AVAX):' input field with the placeholder 'Enter amount in AVAX', and a brown 'Add Collateral' button.

## Protocol's Key Entities

### Its Key Entities

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#### Lenders

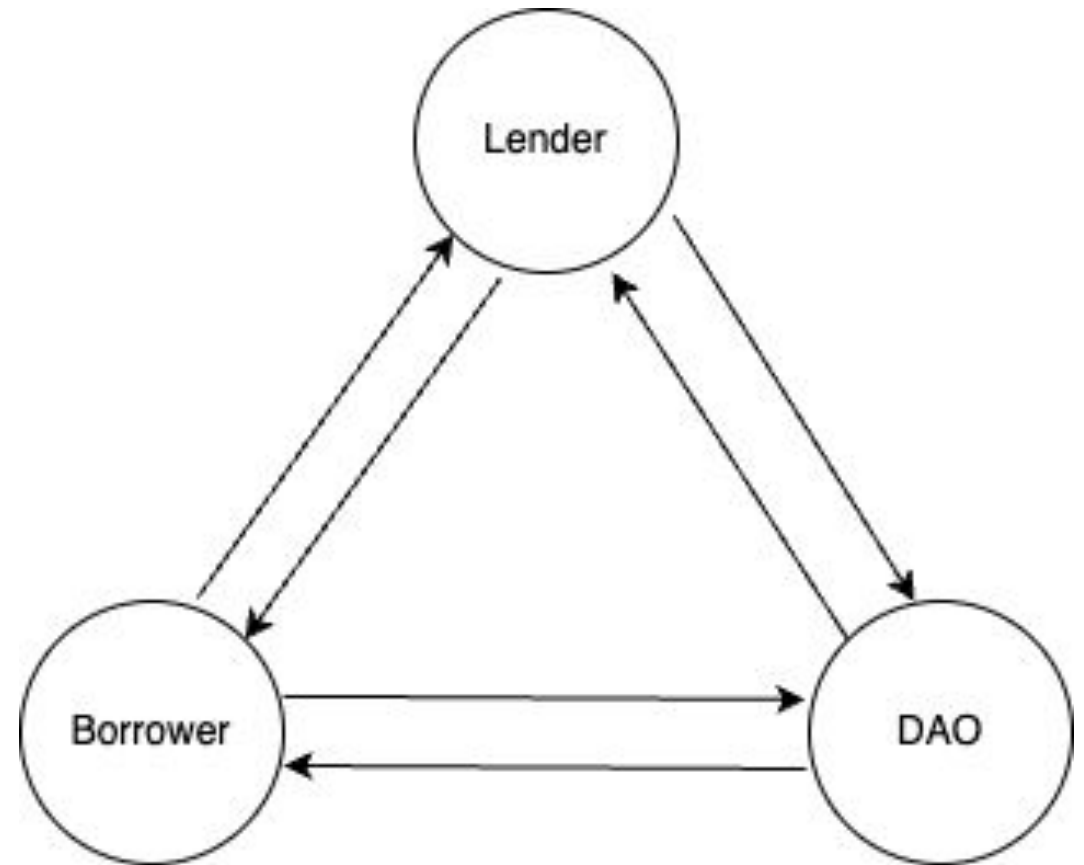
- Add liquidity to the protocol.
- Earns high APY

#### Borrowers

- Can leverage their assets.

#### DAOs (Decentralized Autonomous Organizations)

- Deposit some reserves
- Earns high APY
- Members can contribute more in DAO for more lending capabilities.



## Under-Collateralized Lending

Borrow beyond deposit amounts using credit-based collateral

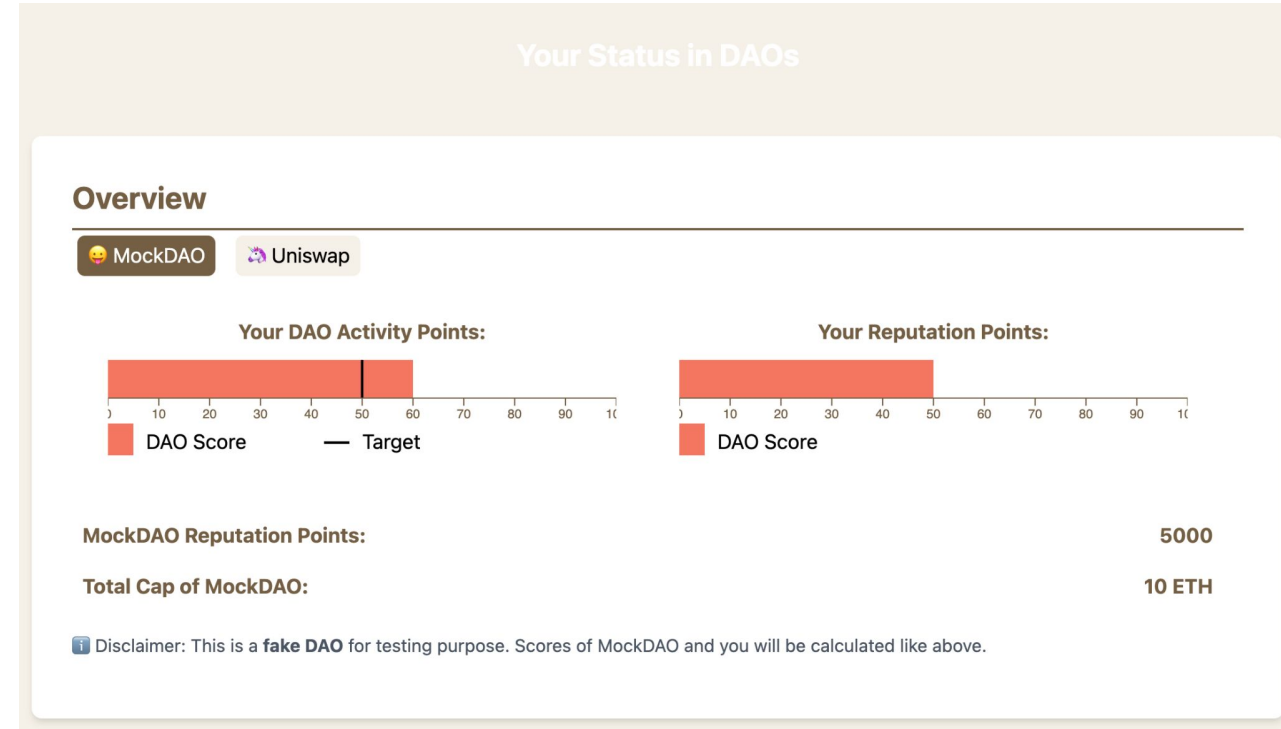
### How It Works:

- **Credit-Based Collateral:**

- **KYC:** Enhanced lending limits through thorough verification of borrower's identity and financial background.
- **DAO:** Borrowing capacity linked to user's reputation and DAO's reputation and contribution in it.
- **Blockchain Reputation:** Reliability and trustworthiness assessed via user's transaction history and on-chain behavior.

### What is good about it?

- **Leverage:** Leverage your assets and earn more!
- **High APY:** We offer high APY who deposits to our lending pool. It is possible because under-collateralized lending gets higher interest rate than any other lendings.

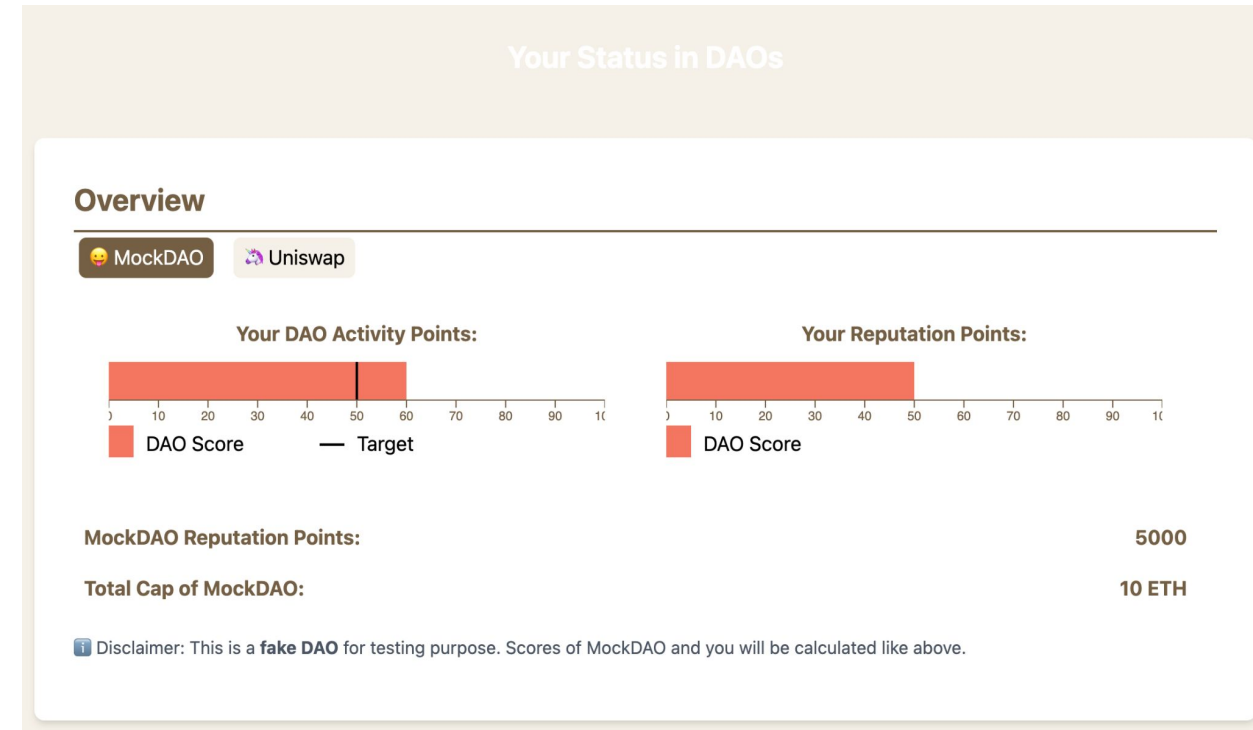


### Under-collateralized lending

When the borrower does not repay?

#### Our ways to prevent it

- **Dynamic Lending Cap:** We dynamically adjust lending limits based on liquidity and risk factors, balancing safety with higher interest opportunities.
- **KYC:** We are looking for ways to bring real life credit or real life assets to collateralize.
- **DAO:** Borrowing limits are tied to DAO deposits, with a portion of losses potentially covered by DAO reserves.
- **High Interest Rate:** We offer higher rates for under-collateralized loans to offset associated risks.
- **Permanent Ban:** Abusers will be permanently banned via KYC, with potential public disclosure of a blacklist and DAO reserve misuse alerts.



## Cross Chain Lending and Deposits

### Overview

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#### What is it?

- Deposit token on any chain.
- Lend on any chain.
- It all controls in main chain which is **Avalanche C-Chain**.

#### How this magic happens: CCIP

- Secure and easy cross-chain messaging.

#### Which Chain?

- Our main chain where main controller contract and governance contracts are deployed is **Avalanche C-Chain** (Fuji).
- You can also use our protocol on:
  - Ethereum Sepolia
  - Polygon POS chain (Mumbai)
- We will integrate other chains as well such as:
  - Polygon ZK-EVM
  - EVM-compatible chains
  - Non EVM-compatible chains like Solana.

### Contract Details

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#### CcipGateway Contract

- It is proxy contract deployed on main chain.
- It receives all messages from other chains and decides where to go.
- It parses the message and use `call` other contract's functions.

#### ShTokenPool (cTokenPool)

- It is real liquidity pool contract deployed on sub-chains.
- It stores tokens and lends to users.

You can see the source code at

[Shylock-Finance/shylock\\_compound/src/crosschain](https://github.com/Shylock-Finance/shylock_compound/src/crosschain)

## KYC using DID with PolygonID

### Overview

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#### What is it?

- To use under-collateralized lending, our protocol requires users' KYC.
- KYC is done by DID.
- We only get some essential information now, but we are planning to get detailed information including real world financial status, or some real world assets.

#### What technology used

- Polygon ID
- Easy to use.
- You only download application on your mobile phone.

### How it works

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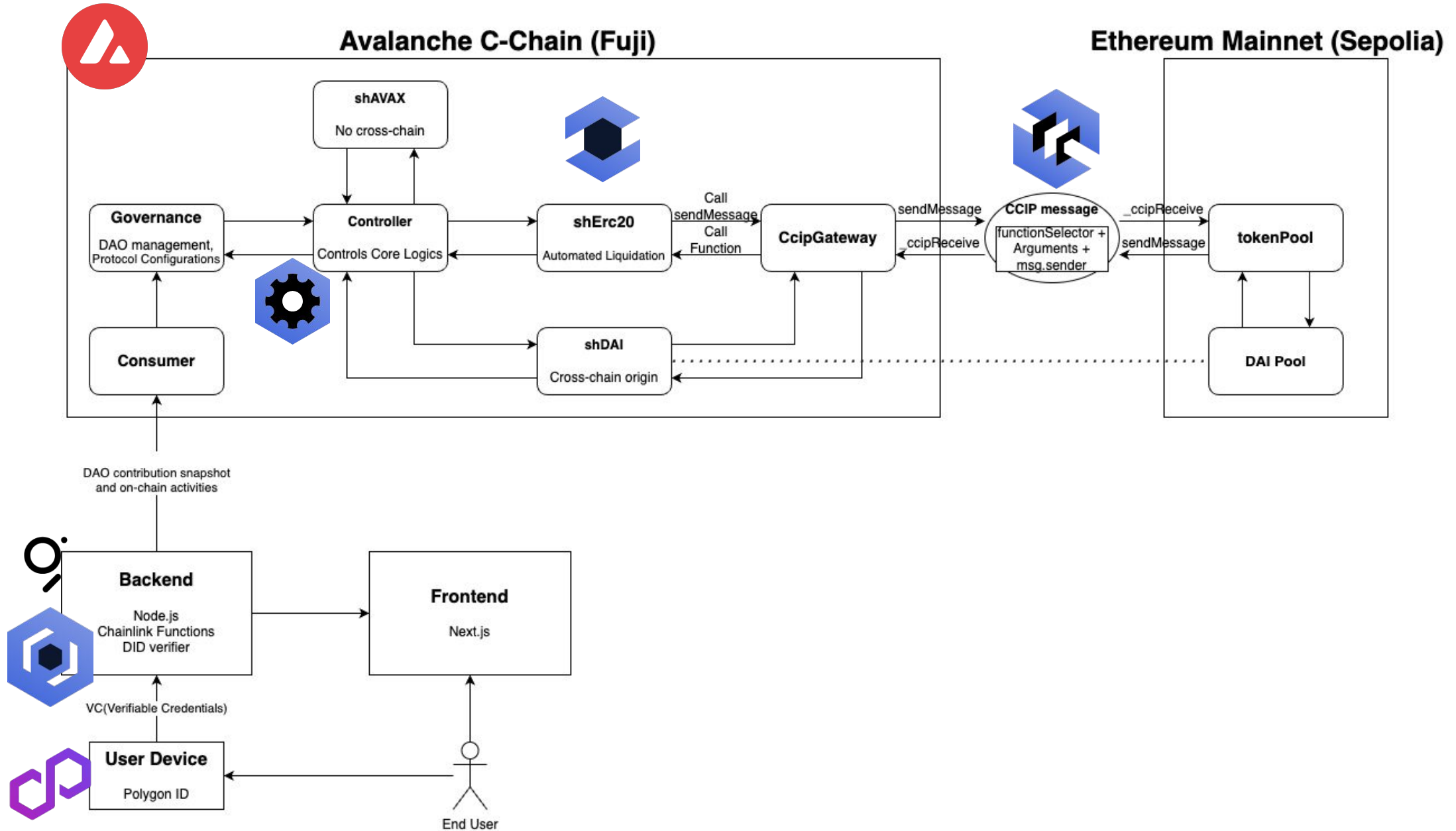
#### Github README

[link](#)



# Project Overview

# Shylock Finance



**Demo**