

Clos3 Protocol: a Decentralized Options Protocol

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Clos3 is a decentralized options protocol that allows users to take bounded leveraged long or short positions on the price of NEAR / USD. It implements an Automated Market Maker (AMM) that mints BULL (long) and BEAR (short) positions as traders transfer in collateral (\$NEAR). The leverage is enforced by the token weights the AMM holds.

Clos3 is dependent on an on-chain price oracle that is used to rebalance the token prices and leverage. On Ethereum ChainLink is a popular price feed provider, for Clos3 we would like to propose a new NEP (TBD) which requests validators to provide the current NEAR price when proposing blocks. These proposed prices can be aggregated and used as a price feed giving Clos3 the ability to quickly update positions and balances, making frontrunning less likely and harder to do. Clos3 also delays the profitable price feed entries by one “round” in order to counter frontrunning.