



PUT YOUR UNI WHERE YOUR MOUTH IS

Uniswap Governance Enhancements, GR12 Hackathon, December 2021

Intro

The Uniswap Protocol is a public good owned and governed by UNI token holders

Problem

UNI token holders govern the Protocol through an on-chain voting governance process

Democratic voting is a good way to govern
BUT it is not perfect

Solution

Token voting by the holders of UNI
(current governance process)

+

an extra phase based on the futarchy model

Current Governance Process

1

Temperature Check

Determine if there is sufficient will to make changes to the status quo. A majority vote with 25k UNI yes-vote threshold wins

2

Consensus Check

Establish formal discussion around a potential proposal. A 50k UNI yes-vote quorum is required to pass

3

Governance Proposal

The proposal should be based on the winning outcome from the Consensus Check. A majority vote with 40m UNI yes-vote threshold wins

Futarchy Phase Governance

4

Prediction Markets

Identify metrics to reveal success/failure consequences of the proposal

Create prediction market with UNI as a collateral

Use success/failure as outcome shares (buy/sell)

Close market

Redeem positions

Benefits

Individuals who are good at predicting the outcome of proposals will see their UNI and influence increase

More accurate estimates of the success/failure of proposals

Reduce irrational social influences

Implementation

Conditional Token Framework

Decentralized arbitration court

About me

Software & Blockchain Engineer with +20 years experience
in the Gaming, Media and Music industries

Built Android/iOS apps and games hitting + 100 million installs

Proud to be part of the first real tones ever created

Veteran Gitcoin hacker

“Vote on Values but Bet on Beliefs”

Robin Hanson

Credit to Robin Hanson for inventing futarchy and
to Vitalik Buterin for his inspiring futarchy post in the Ethereum Foundation Blog

Thank you