

Criteria	Confidence Score (1-5) *	Comment	Guiding questions to ask yourself
Team	5	<p>The Ethereum network has a popular DAO called Maker, who introduced cryptocurrency backed stablecoin called Dai. Initially the community was relatively small but it has grown since the project's inception.</p> <p>The team has clear vision & expertise on building a decentralized digital global economy that is fair, transparent and efficient. The stablecoin was officially launched and featured on the Ethereum Mainnet.</p> <p>The team has heavy involvement in the project as per their presence/activity in community interactions, forums & github etc.</p>	<p>Do these people exist?</p> <p>Do their roles and credentials match the domain of expertise?</p> <p>Did they agree to be featured?</p> <p>How much are they involved in the project? (100% time – 0.001% time?)</p> <p>Are they credible? Can they pull it off?</p> <p>Which company is backing this project (if any)?</p>
Project	5	<p>Dai definitely has business as well as social value as various people inside and outside the crypto sphere generate or buy Dai. People use it in couple of ways -</p> <ul style="list-style-type: none"> - To purchase goods and services - To engage with a wide variety of DeFi app - In regions suffering hyperinflation, such as parts of Latin America, Dai users benefit from the value of a crypto dollar. - Transparent accounting systems: Charities, NGO's - Game developers, who integrate Dai to provide a much-needed plug-and-play financial ecosystem within their video games - Dapp builders - Enterprises <p>Dai bought a new degree of stability to the marketplace, it is an ERC20 token on the Ethereum blockchain, pegged to the US dollar, one can visualise it as currency used for money lending on MakerDAO. Every day, people all over the world derive value from generating Dai and, in doing so, provide value to the Maker ecosystem. The number of people that use Dai will only grow in the coming years, as more and more individuals, businesses, developers, and other parties grasp the advantages of decentralized crypto assets.</p> <p>Good development has been done in the space and with good pos higher research work are work in progress. There is network of individuals and businesses who use Dai for payments and other application mentioned above.</p>	<p>Does it have any kind of business or social value?</p> <p>What is the business model (including token economics)?</p> <p>Is it achievable? (There should be a sensible roadmap)</p> <p>How much research and development has already been done so far?</p> <p>How many users are currently using the system (if any)? (is there a MVP?)</p>
Technology	5	<p>Cryptocurrency has progressed significantly with a few crucial problems blocks its adoption as a real-world currency. One problem being: price fluctuations of a single coin can drastically change in a day. The Collateralized Debt Position (CDP) is a financial cryptocurrency concept used in stablecoin Dai offering a possible solution to the high volatility that cryptocurrency faces today. Dai not only offers stabilization, but 2 other important aspects are transparency and decentralization, as it is built on top of the Ethereum network.</p> <p>Smart contract security and best security practices have been the absolute highest priority of the Dai development effort since its inception. The codebase has already undergone three independent security audits by some of the best security researchers in the blockchain industry.</p>	<p>Why do we need Blockchain for that?</p> <p>Is Blockchain (and other) technology used appropriately?</p> <p>What is the underlying Blockchain platform? (e.g. Ethereum, Waves)</p> <p>How are the engineering constraints addressed? (e.g. throughput in tps, scalability, saturation, cost of transactions, interoperability)</p> <p>How maintainable and sustainable the solution is?</p> <p>What is the approach to ensure an acceptable level of security?</p>
Governance and Use of the proceeds	3	<p>The core team has achieved the risk management goal by creating a decentralized, open scientific risk management community. A community that will make clear arguments and apply competing models to assess and manage the risks underlying the system.</p> <p>A governance model is laid out where governance at the system is done via election of an Active Proposal (a smart contract) by MKR voters.</p> <p>The opportunity for investors isn't highlighted much in the paper.</p> <p>The financial model seems realistic as Dai is supplied to the Ethereum blockchain economy by way of a lending mechanism, whereby a user borrows Dai and increases supply through on-chain transactions.</p> <p>Yes, legal and compliance risks thoroughly assessed and discussed</p>	<p>What does the team plan to do with the funds? What is the governance model?</p> <p>What's in there for the investor?</p> <p>Is the financial model realistic?</p> <p>Are legal and compliance risks thoroughly assessed and discussed?</p>
ICO process	4	<p>Users lock up their Ether in CDPs in the form of Pooled Ether (PETH). The CDP then generates Dai for the users while calculating interest on the pooled ether over time. This interest is known as "Stability Fee". If a user wants to withdraw their ETH from the CDP then they will have to payback the equivalent amount of Dai.</p> <p>Yes all investors are treated fairly</p> <p>Though it is not completely decentralised, I believe the founders have unfair advantage. The governance guide seems promising though</p> <p>The crypto community calls it promising as dai lives entirely within the Ethereum blockchain using smart contracts.</p> <p>According to community it is a game changer because it allows USD to be transferred in any amount, instantly, across borders, without fees, without any interference. This enables a new era of commerce that exists purely within the blockchain and cannot be shutdown.</p>	<p>How is the token issued? (e.g. through an exchange)</p> <p>Are all investors treated fairly? (e.g. similar value/risk ratio, unreasonable pre-sale discounts to a certain class of investors)</p> <p>Do the founders have an unfair advantage? (e.g. control)</p> <p>Is the ICO backed to some level by regulators? (e.g. the OSC in Ontario can issue exemption letters, SEC in the US)</p> <p>What does the crypto-community say? (e.g. coverage in journals, podcasts, Youtube, Reddit, etc)</p>
Overall			
* Score from 1 to 5 where 5 is the highest score			
References			
Whitepaper			
https://blog.makerdao.com/top-10-use-cases-and-benefits-of-the-dai-stablecoin/			
https://blog.makerdao.com/who-uses-the-maker-protocol-and-dai-and-why/			