ORIGINAL PROPOSAL:

Link here.

RESUBMISSION UPDATES:

The original concept for the ApeCoin DAO DEX was prior to ApeChain launching and was intended as a Uniswap fork that would be used by apes to provide benefits to apes. We recognized that this idea did not have a deep level of value for the community as lower fees could be found on Uniswap prior to the Uniswap fee-switch activation, and ultimately, the proposal was rejected. With limited options for how to reward the DAO in the past, this also created complexities for AIP-223 at the time, making the proposal too early for its time. Fast-forward, and with the adoption of ApeChain, as well as revenue back to the DAO being available, the ApeCoin DAO community has a genuine chance to create a unique, DAO-owned, sustainable revenue source and piece of ecosystem infrastructure in the first ever ApeChain DEX.

PROPOSAL NAME:

[Resubmission] ApeSwap on ApeChain

PROPOSAL CATEGORY:

Ecosystem Fund Allocation

TEAM DESCRIPTION:

Solidity.io is a full-stack Web3.0 solutions firm and product incubator focused on providing blockchain development services, smart contract solutions, and audits. Solidity.io is run by BAYC and ApeCoin DAO member Alex McCurry. [Solidity.io] has already successfully delivered value to the ApeCoin DAO through their successful audit of the ApeCoin NFT Marketplace approved in AIP-98. Link to the audit here. With full-stack Web3 development resources and experience, Solidity.io will be able to deliver a top-of-the-line DEX, quickly, securely, and cost effectively in order to generate maximum value return for ApeCoin holders as quickly as possible. Solidity.io created the www.apecoinstaking.io interface, investing resources and capital in creating infrastructure for the DAO, for free. Link to tweet here. Additionally Solidity.io was the selected development team for the redesign of ApeCoin.com in the governance working group proposal, as well as the recipient of a grant for the development of an ApeCoin payments SDK to expand upon use-cases and implementations of $APE.

Sushi Labs, led by Head Chef Jared Grey, is the parent entity of Sushi Swap. A top DEX in the EVM ecosystem. Sushi is widely regarded as one of the pre-eminent DeFi technology protocols in all of Web3. With one of the only DEX teams developing proprietary routing technology, Sushi serves as a top partner to deploy the ApeSwap product under their franchise DEX model. Proof of Sushi Lab's willingness to comply with the terms outlined in this proposal may be found here: Sushi - ApeChain.pdf.

Advisors:

Mike (MIKΞR @0xm1kr) , Business, Product, & Technology

- Founder & CEO of CR3 Labs, and tech advisor at OTHERspace. Mike's career began in Computer Science and Aerospace Engineering where he worked at Boeing as a Software Test Engineer. After several years, Mike transitioned to the startup industry where he built multiple software agencies and one of the first decentralized exchanges in 2017, later acquired by Core Scientific. Mike has over 15 years of software engineering experience, has designed and developed many hyper-scale web applications, managed tech teams that range in size from 2 to 20, and has raised/assisted with $14M+ in venture capital financing. He was also a pretty accomplished World of Warcraft raid leader from Vanilla to WOTLK (his words).

Leo (Nova @prollynuthin) , Strategy, Marketing, & Operations

- Founder & CEO of Vora Labs, and Co-founder of OtherGuild. Prior to entering web3, Leo spent a few years running a small game design studio that produced early Facebook & iOS games before venturing into SaaS where Leo spent the past 8 years as a growth marketing executive. The vast majority of companies Leo was a part of were early stage companies ranging from Seed stage to Series B in marketing & advertising technology, eCommerce, and cloud computing/infrastructure. Leo was fortunate enough to be a part of several scale-ups, venture financing rounds, and acquisitions. Leo is a lifetime learner & gamer (30+ years), and father of 2 savages.

ABSTRACT:

The ApeCoin DAO is built on the fundamental goal of enabling Yugaverse and ApeCoin holders with value. To date, the focus has been enabling marketplaces, a native blockchain, communications, IRL events/education, physical assets, and more.

With the launch of ApeChain fast approaching in June, a native swap/DEX product is needed in order to enable adoption and competitive functionality on ApeChain. ApeCoin DAO has the ability to establish a first-mover advantage by backing

ApeSwap, a native ApeChain DEX powered by Solidity.io and Sushi Labs (Sushi Swap).

Our vision is to launch ApeSwap as a (DEX) to benefit ApeCoin holders. The ApeCoin DAO DEX will enable the decentralized exchange of tokens supported by multi-asset pools that earn liquidity providers fees from market making and swap fees. It should be noted that ApeSwap would not necessarily be the exclusive DEX of the ApeChain ecosystem.

ApeSwap will include a protocol fee for token swaps, with 50% of all protocol fees returning back to the ApeCoin DAO treasury. Immediately upon the launch and accrual of fees the DAO treasury would receive revenue distributions in accordance with the payout schedule established by Sushi Labs. In addition, ApeSwap will undergo a token generation event, and will provide an airdrop of ApeSwap DEX native tokens to ApeCoin token holders, as well as an airdrop directly to the ApeCoin treasury.

Sushi Labs, with development support from Solidity.io, will support strategic and technical efforts with the deployment, ownership, and maintenance of the DEX. In addition to this, ApeSwap will offer a token airdrop to active Sushi Swap ecosystem users to incentivize the growth and adoption of ApeChain by the broader DeFi community. xSushi (Staked sushi) holders will likely be the targets for the airdrop.

Specifications |

Solidity.io will operate as the core service provider for the ApeSwap DEX launch. This includes conducting design, development, and deployment of a native decentralized exchange on ApeChain for ApeSwap on behalf of Sushi Labs. All data points from the DEX will be aggregated to a decentralized datastore to enable real-time charting on the platform. The $APE grant will be paid to Solidity.io upon passing of this proposal to fund ecosystem development and maintenance for one year. Solidity.io will be the pre-selected core service provider, responsible for delivering on the product roadmap, supporting tokenomics design, go-live support, and maintenance of the product and platform for one year. With Sushi Labs being the operating entity and administrator of the franchised DEX, they would be responsible for hosting and maintenance coordination after one year if Solidity.io and Sushi decide not to renew the initial 1-year agreement together. We expect maintenance costs after year one to fall under $100k per year for maintenance and hosting.

ApeSwap will launch a token on ApeChain to function as the core utility token for ApeSwap. $APE holders will receive an airdrop, ApeCoin DAO treasury will receive an airdrop, and ApeCoin DAO treasury will receive a portion of trading fees.

Sushi Labs will function as the legal and managing entity overseeing the DEX launch and TGE, and ApeSwap will fall under the Sushi Labs management company as part of their franchised DEX model. Sushi will provide marketing support around the DEX launch and will handle all non-technical infrastructure, including domain maintenance and ownership, and hosting and serving of the platform.

Users can swap in and out of tokens utilizing the platform's liquidity to perform transactions. The swap will display relevant information including price impact, slippage, and deadline. In addition to swap, users will be able to add liquidity to pairs, this process will be a seperate flow allowing users to customize their transaction. We plan to incentivize liquidity provision from the community and strategic partners.

At this time, final decisions have not yet been made regarding use of any existing ApeCoin DAO trademarks, or the creation of new trademarks related to ApeSwap, but the team does want to opt for an 'Ape' themed branding style.

BENEFIT TO APECOIN ECOSYSTEM:

ApeCoin DAO needs revenue!

The implementation of ApeSwap will be a key step in creating sustainable, on-chain infrastructure that is cash-flow generative and exists as a fundamentally ApeCoin-backed asset.

By receiving a portion of the protocol fees, as well as an airdrop to the treasury and ApeCoin holders. The ApeSwap DEX represents a potential long-term revenue stream to the DAO.

With the ApeCoin community containing many Web3 users and investors, the utility of a natively owned and backed DEX will generate massive value for existing holders, and incentivize new ApeCoin holders to acquire $APE.

The core of this proposal is centered around our motivation to build sustainable ApeCoin DAO treasury revenue and broader adoption of the ApeCoin ecosystem.

The goal of the ApeSwap is to create a self-sustaining, cash-flow generative addition of infrastructure to the ApeCoin ecosystem, while capturing value that a competitor on ApeChain will otherwise take.

In addition, a token drop will reward $APE holders who have long deserved some value being returned to them through the DAO.

At this time, all that can be shared is that the plan is to have airdrop/token allocations to the following parties: ApeCoin holders, ApeCoin DAO treasury, Sushi Treasury, xSushi holders, team, Rewards for liquidity provision. This is a fluid process of course and will be more solidified over time. Users will need to connect to a site/platform to claim.

KEY TERMS:

DEX = Decentralized Exchange

ApeSwap= The tentative name for an ApeChain native DEX as described in this proposal, backed, owned by, and built for the ApeCoin DAOs benefit.

PLATFORMS & TECHNOLOGIES:

ApeChain, Vercel for hosting frontend UI, GoDaddy or Squarespace for domain hosting (TBD), smart contracts.

STEPS TO IMPLEMENT & TIMELINE:

Timeline and Milestones

Phase 1: Pre-Development and Design

- Milestone 1:

Proposal approval and Grant Agreement signed

- Milestone 2:

DEX UX/UI Design * Estimated Timeline:

3 weeks

- Estimated Timeline:

3 weeks

Phase 2: Architecture and Smart Contracts

- Milestone 3:

Tokenomics Design and Technical Architecture * Estimated Timeline:

4-6 weeks

- Estimated Timeline:

4-6 weeks

- Milestone 4:

DEX Smart Contract Development and Testing * Estimated Timeline:

6-8 weeks

- Estimated Timeline:

6-8 weeks

Phase 3: Development and Integration

- Milestone 5:

Front-end Development and Integration Begins * Starts Week 11

- Starts Week 11
- Milestone 6:

Farming Rewards Program Back-End Development (These details are still in the ideation and strategic phase and are not yet able to be shared. Ultimately we hope to incentivize liquidity provision and activity on the DEX, which translates to activity on ApeChain, via token rewards to users.

) * Estimated Timeline:

4 weeks

- Estimated Timeline:

4 weeks

- Milestone 7:

Charting and Analytics Back-End Development * Estimated Timeline:

2 weeks

- Estimated Timeline:

2 weeks

- Milestone 8:

Trading Alerts Features * Estimated Timeline:

2 weeks

- Estimated Timeline:

2 weeks

Phase 4: Testing and Launch

- Milestone 9:

Development and Testing of Tokenomics System(s) * Estimated Timeline:

~2 months

- Estimated Timeline:

~2 months

- Milestone 10:

Completion of Front-end Development and Integration * Estimated Timeline:

Weeks 15-18

- Estimated Timeline:

Weeks 15-18

- Milestone 11:

Smart Contract/Platform Internal Audit * Estimated Timeline:

Weeks 12-14

- Estimated Timeline:

Weeks 12-14

- Milestone 12:

Smart Contract 3rd Party Audit (We have identified Halborne, QuantStamp, and CertiK as possible auditing partners. Audits would be made public for the ApeCoin DAO so long as the technical team does not deem such disclosures a security risk.

) * Estimated Timeline:

Weeks 13-15

- Estimated Timeline:

Weeks 13-15

- Milestone 13:

Go-Live! * Estimated Timeline:

Weeks 16-20

- Estimated Timeline:

Weeks 16-20

Total Estimated Time:

4-5 months

[Note: Final launch time may be dependent upon ApeChain launching.]

OVERALL COST:

Total Budget:

750,000 APE COIN

Detailed Cost Breakdown and Allocations

Platform Design & Development: $340K

- DEX UX/UI Design: $30,000
- Tokenomics & Technical Architecture: $65,000
- Smart Contract Development & Testing: $60,000
- Front-end Development & Integration: $65,000
- Back-End Development for Farming Rewards and Charting/Analytics: $45,000
- Trading Alerts Features: $25,000
- Smart Contract Audits (Internal & 3rd Party): $50,000

Marketing, Business Development, and Operations: $120K

- Business Development & Partnerships: $45,000
- Marketing & Community Engagement: $50,000
- Operations & Miscellaneous: $25,000

Legal & Compliance: $100K

- Comprehensive legal support and compliance assurance to navigate the regulatory landscape effectively.

Infrastructure & Miscellaneous Costs: $190K

- Hosting Costs: $35,000
- Blockchain Indexing/Data Storage: $25,000
- Contingency Fund: $50,000
- 1-Year Maintenance:

$80,000 (Included to ensure ongoing support and updates for the platform, covering server maintenance, product updates, and bug fixes.)

While a plan to submit a follow-up AIP in collaboration with Sushiswap to continue as ApeSwap's service provider after the conclusion of the initial 1-year term has not yet been decided, we hope revenue from the DEX will be sufficient to maintain all operations and maintenance expenses post the initial 1-year term.