

## Title

– Proposal: Distributing ARB Tokens to L3 MXC zkEVM Users to Encourage Growth on Arbitrum One.

## Non-Constitutional

## Abstract

The MXC zkEVM team proposes to distribute zkMXC tokens on the inaugural L3 layer on Arbitrum([Announcement link](#)), with a focus on IoT applications. We believe that the DAO should consider distributing ARB tokens to participants who are contributing to the L3 layer from L2, including L3 provers and bridge users on Arbitrum One.

## Motivation

Following EIP-4844, the potential for substantial growth in L2s is limited due to lower gas fees. Arbitrum One, as the leading L2, dominates the space in terms of Total Value Locked (TVL) and the number of transactions. The natural next step is to extend into the L3 space to facilitate greater scalability in application-specific chains such as MXC zkEVM.

Rewarding L3 activities on Arbitrum One L2 would encourage more developers to build L3s using Arbitrum Orbit or other Roll-ups, thereby solidifying Arbitrum One's position as the premier L2 in the Ethereum ecosystem.

## Rationale

This AIP is designed to align with the DAO airdrop list of 3/23/2023, Arbitrum supports L2 projects and distributes ARB tokens to them, so it is logical that L3 chains should receive similar amounts of ARB. This initiative could potentially stimulate the emergence of hundreds of L3s on Arbitrum One.

## Key Terms

- L3s: These are Layer 3 solutions built on top of Layer 2.
- Arbitrum Orbit: A layer 3 scaling solution for Arbitrum.
- zkEVM: A zero-knowledge EVM compatible Layer 2 or Layer 3 solution.
- IoT: Internet of Things, a system of interrelated devices with unique identifiers (UIDs).

## Specifications

The platforms involved in this proposal include Arbitrum Orbit and any L3 Roll-up such as zkEVMs that can expand Arbitrum's scalability.

## Steps to Implement

1. Identify the L3 participants in L2 Arbitrum One, such as L3 provers that submit proofs to Arbitrum One, and bridge users that transfer from Arbitrum One to L3 MXC zkEVM.
2. Calculate the gas used in Arbitrum One via Smart Contracts, and consolidate this data monthly.
3. Publish the verified L2 addresses monthly, facilitated by MXC DAO.
4. Distribute tokens to these users each month based on gas used, continuing until the grant amount is depleted.

## Timeline

1. Grant ARB tokens to be held by MXC DAO, pending approval of AIP.
2. Commence monthly distribution to Arbitrum One addresses based on L2 gas usage.

## Overall Cost

The proposal suggests a grant of 5 million ARB tokens to the first L3 MXC zkEVM, for distribution to the aforementioned L2 addresses. This cost is comparable to that allocated to top projects like Uniswap, which received nearly 5 million ARB tokens, providing a precedent for this amount.

## MXC zkEVM links

[doc.mxc.com](https://doc.mxc.com)

## [Executive Summary | MXC SupernodeV2 zkEVM](#)

This documentation is still a Work In Progress. Some topics have been discussed in greater depth, while others require additional clarification. Sections of this documentation might later be reorganized in order to achieve a better flow.

## Revised Funding Request for Proposal: Distributing ARB Tokens to L3 MXC zkEVM Users

### Specific Use of Funds

:

- Developer Incentives

: 2 million ARB tokens to incentivize developers to build and maintain the L3 MXC zkEVM.

- Infrastructure Costs

: 1 million ARB tokens to support the infrastructure, including servers, security, and maintenance.

- Marketing and User Onboarding

: 1.5 million ARB tokens to promote L3 MXC zkEVM and onboard new users.

- Miscellaneous and Contingencies

: 0.5 million ARB tokens for unforeseen costs and other initiatives to promote L3 growth.

### Milestone Breakdown

:

1. Milestone 1: Initial Setup and Onboarding (Duration: 3 months)
2. Objective: Set up L3 MXC zkEVM and onboard initial developers and users.
3. Expected Outcomes: 20% increase in transactions on L3 MXC zkEVM.
4. Allocation: 1.5 million ARB tokens (1 million for developer incentives, 0.3 million for infrastructure, 0.2 million for marketing).
5. Milestone 2: Expansion and Growth (Duration: 6 months)
6. Objective: Expand the user base and increase the number of transactions.
7. Expected Outcomes: 50% increase in transactions and 30% growth in L3 provers.
8. Allocation: 2.5 million ARB tokens (1 million for developer incentives, 0.5 million for infrastructure, 0.8 million for marketing, 0.2 million for contingencies).
9. Milestone 3: Sustenance and Future Plans (Duration: 3 months)
10. Objective: Sustain the growth achieved and draft future plans.
11. Expected Outcomes: Stable growth and a clear roadmap for the next phase.
12. Allocation: 1 million ARB tokens (even distribution across all expenses).

### Performance Metrics

:

- Number of L3 provers onboarded
- Increase in transactions on L3 MXC zkEVM
- Number of new users onboarded

### Grant Window Duration

: 12 months

The grant of 5 million ARB tokens will be utilized across the 12-month window in alignment with the milestones mentioned above. This structured approach ensures the funds are used judiciously to achieve the desired outcomes.