Basic Details

Project name:

Swapline

Author name and forum name (please provide a reliable point of contact for the project):

0xJo

L2 recipient address:

Safe Address

oeth:0x2bCE391CF2584B43F0473cEC2384E0736C975440

Which Voting Cycle are you applying for?:

Cycle 11

I confirm that I have read the landing pages for the Builders 4 and Growth Experiments 5 Sub-Committees and that I have determined my proposal is best suited to be reviewed by the Builders Sub-Committee: [Yes/No]:

Yes

Project Details

What are you going to build?:

[

image

1474×745 99.2 KB

](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/f/fe96b29916bd5ac187a18e1dd0554451c855eb50.jpeg)

Swapline is a cutting-edge decentralized exchange (DEX) that offers a unique combination of features to ensure a user-friendly, real-yield, and secure trading experience. With its innovative dual-token system inspired by the traditional stock and bond market, Swapline offers a sustainable and fair trading ecosystem for all users.

Swapline is built on top of Liquidity Book, a highly efficient automated market-making system that allows traders to do large trades with zero slippage. Swapline is designed to simplify the Liquidity Book model for users with automated strategies and aims to provide "real yield" from trading fees rather than unsustainable boosted farm yields. This will enable liquidity providers to get higher real yield returns with less liquidity and traders to do limit order swaps with zero slippage and no fees.

Swapline has developed an innovative dual token system (Token A & Token B - real names will be announced before launch) inspired by some characteristics of stocks and bonds in the traditional financial market. Token A is used to incentivize liquidity provisioning in automated vaults to bootstrap liquidity, while Token B is a limited governance token allowing the community to become part of the DAO and its business model. The innovative in-house developed smart contract ensures that upgrading Token A to Token B ensures that both are in balance with each other, making them more resilient to fluctuations in the crypto market. This makes Swapline an excellent choice for anyone looking for a real-sustainable yield, secure, and user-friendly DEX which provides trades with zero slippage and low fees.

—--

The overall vision of Swapline is to create the best possible decentralized exchange (DEX) for traders, liquidity providers, DAO members on Optimism. We strive to provide a user-friendly interface and a seamless trading experience that maximizes liquidity efficiency and no slippage and fees while providing real sustainable yield for our liquidity providers.

[

1500×750 90 KB

](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/2/2d77235ac99b8e64f13b2f84378854b4067729f7.jpeg)

The overall vision from Swapline will be achieved by focusing on these six aspects:

- Concentrated Liquidity

Swapline uses the concentrated liquidity book model, which enables liquidity providers to concentrate their liquidity around the current price range (bins) of an asset. This means that traders can execute large trades with minimal slippage, as there is a deep pool of liquidity available at the current price range.

- Automated vaults

Swapline offers automated liquidity management through the use of vaults that can rebalance a liquidity provider's allocation as needed. This means that liquidity providers do not have to manually adjust their liquidity all the time, as the system will automatically adjust the allocation to optimize returns and reduce impermanent loss. This allows liquidity providers to earn real yield from trading fees without having to constantly monitor and adjust their liquidity.

- Dynamic Fees

The Liquidity Book model used by Swapline adjusts the fee structure automatically based on the volatility of a token pair. This is done to compensate for potential Impermanent Loss, which occurs when the prices of the tokens in a pair change at different rates, resulting in a loss of value for liquidity providers. If volatility increases, trading fees increase as well to offset the potential losses from Impermanent Loss. On the other hand, for non-volatile tokens, trading fees are set very low, and the liquidity efficiency is designed to ensure high APRs for liquidity providers. This means that Swapline can provide a more attractive yield for LPs while also minimizing the risk of Impermanent Loss.

- Fully Decentralized and Secure

Swapline is built on audited Solidity code. Swapline takes security very seriously and has implemented various measures to ensure the safety of the protocol and its users. One of the primary steps taken is a thorough testing of the smart contract code before launch. This includes an initial scan by an external security platform, which helps to identify any potential vulnerabilities or weaknesses while developing the code. Additionally, a full audit will be conducted by Hashex and the audit report will be made publicly available on the Swapline Docs page. By taking these steps, Swapline aims to mitigate any risks associated with the protocol and provide a secure and trustworthy platform for its users.

- Sustainable Economics

Swapline's dual token system is designed to create sustainable value for the community and its projects. Token A is used to incentivize liquidity provisioning in automated vaults to bootstrap liquidity, while Token B is a limited governance token allowing the community to become part of the DAO and its business model. The innovative thing about the SwapLine token economy, however, is not the pure double token system alone, but the way the two tokens influence each other through the upgrade function. The result is a DEX that is built up with different levels to steadily gain robustness and independence. With these features, SwapLine is designed to establish itself for the long term and generate sustainable value for the community.

- Fairlaunch

A fair launch means that Swapline starts without any pre-mined tokens or pre-sale of tokens to select individuals or groups. This ensures that all participants start with equal opportunities and no one has an unfair advantage over others. This approach puts the community first, as it allows anyone to participate and benefit from the launch, regardless of their connections or resources. Additionally, a fair launch ensures transparency and trust in Swapline, as there are no hidden actors or secret deals behind the scenes.

Why is what you are going to build going to succeed?:

Our protocol aims to solve real DEX problems while focusing on sustainability. By automating liquidity and providing real yield opportunities, we make it easy for users to utilize DeFi opportunities. By taking into account the six aspects mentioned earlier, Swapline is creating a DEX that is unprecedented from both technical and economic perspectives. These unique selling points will provide Swapline with a competitive edge, enabling it to thrive in the wider DeFi arena.

Looking at other chains, Liquidity Book Model introduced by Traderjoe, has shown great success on other chains like Arbitrum and AVAX. It is considered the most effective way to trade tokens compared to other DEXs. With just a small percentage of liquidity, users can facilitate a high volume of trading opportunities. In the area of concentrated liquidity, traders can execute trades with zero slippage.

Compared to Uniswap, the Liquidity Book Model is more flexible and gas-efficient for managing liquidity because each price tick is organized in a separate bin represented by a specific ERC1155 token. This allows users to add, change, or withdraw liquidity in any form or strategy. In contrast, Uniswap organizes each full position in NFTs, reducing flexibility and making it more difficult to manage provided liquidity.

Is your project likely to bring new builders to the Optimism ecosystem? If so, please describe how:

The Liquidity Book model used by Swapline provides ample opportunities for further development, such as the creation of vaults, aggregators, and analytical platforms. This makes Swapline an attractive option for other teams looking to build on top of the Liquidity Book model and potentially migrate to the Optimism network.

Is your project likely to improve the quality of developers in the Optimism ecosystem? If so, please describe how:

That's probably not the focus of a DEX.

Is your project likely to improve the commitment of developers in the Optimism ecosystem? If so, please describe how:

The addition of new teams building on top of Liquidity Book would bring more growth and development to the ecosystem. This, in turn, would make the overall chain more attractive to existing developers, who would be more confident in continuing to build on it. Swapline's innovative approach is at the forefront of DeFi innovation, which further increases its appeal to developers and investors.

Provide us with links to any of the following for the project:

Website: www.swapline.com (not launched yet)

Twitter: https://twitter.com/SwaplineDEX

Discord: Swapline

Telegram: Telegram: Join Group Chat

Do you have any metrics on the project currently?

We still haven't launched our protocol so we don't have any metrics available at this moment.

Who are your competitors?:

Swapline competes with a range of DEXs and AMMs operating on the Optimism network.

However, when it comes to a more narrow competitor, we can consider Uniswap V3. Uniswap V3 also offers concentrated liquidity functionality, which is a key feature of our Liquidity Book. However, we believe that Liquidity Book overall, our dynamic fee system and automatic liquidity management vaults set us apart and provide a more flexible environment for liquidity providers to earn higher returns with their crypto.

What differentiates you from your competitors?:

At Swapline, we differentiate ourselves from our competitors in several ways:

1. Liquidity Book: Our Liquidity Book feature allows us to concentrate liquidity into single bins, which leads to more efficient and flexible liquidity provisioning and seamless trading experiences with zero slippage and low fees.

2. Dynamic fee system: Our dynamic fee system adjusts fees during volatile situations to reduce and compensate for possible impairment loss.

3. Automatic liquidity management: Our automatic liquidity management vaults help to have the liquidity at the right place without the need to adjust manually on the user side.

4. Automated Limit Orders: Our limit order feature gives traders the opportunity to buy and sell crypto without any fees or slippage. With the liquidity book protocol, it's even possible to earn real yield while trading.

5. Sustainable Token Economics: Focus on building a sustainable ecosystem and creating long-term value for our community. This is reflected in the DEX's dual token system with Token A and Token B, which incentivizes token pools sustainably and allows liquidity providers to become part of the DAO's business model and earn real yield.

6. Fairlaunch: Our self funded approach allow us to fully fairlaunch the DEX without any VC involvement, token presale, pre-airdrop. The community comes first and Swapline will be started without hidden actors

Will your project be composable with other projects on Optimism? If so, please explain:

Interoperability and composability are critical aspects of the DeFi ecosystem. As a DEX, Swapline is designed to be composable with other protocols on the Optimism chain, such as lending, aggregator, or compounder protocols. This means that users can easily integrate Swapline into their DeFi workflows and take advantage of the liquidity and trading features that Swapline offers.

Moreover, Swapline's Liquidity Book feature is designed to provide greater liquidity efficiency, which can benefit other protocols on the Optimism chain by improving their liquidity and reducing slippage for their users. This can lead to a more seamless and interconnected DeFi ecosystem, where users can easily move between different protocols and applications to achieve their financial goals.

Team

Who are your founders?:

Swapline is a DeFi project that will be developed and established by a highly dedicated team of experts with more than 150 years of combined experience from diverse business sectors. Our team is rapidly growing, committed to the DeFi

community and the growth of the Optimism ecosystem.

Currently, our team consists of 10 members, including 6 founders, with a diverse range of skills, experiences, and personalities. We believe that this diversity drives creativity and innovation, which we channel towards achieving our shared vision for Swapline.

While we feel responsible for building a sustainable foundation for the DEX, we recognize that the long-term success of the platform will be determined by our community. As such, Swapline will be managed by the community in the form of a DAO and owned by the governance token holders in the future.

What makes your founders well-positioned to accomplish your goals with this project (1-2 sentences on each)?:

0xJo: Product Engineering & Business Development

John is an engineer with a forward-thinking mindset who is passionate about all things related to crypto, analytics, and innovative technologies. He plays a major role in the conceptual development of the Swapline platform and ecosystem. Thanks to his extensive industry experience, he has gained valuable knowledge in building and leveraging business relationships and networks. He stays up-to-date with the constantly evolving industry and skillfully connects the dots, while also managing business development for Swapline.

+15 years of professional industry experience (Fortune Global 200)

PhD. in International Management

0xTom: Marketing Strategy

Tom is dedicated to making Swapline a reality. He draws upon over a decade of experience working for one of the Fortune Global 200 companies, and is deeply committed to the purpose and potential of the Swapline product. Tom is passionate about creating strong, recognizable brands, and is involved in all communication efforts facing the end user. With prior experience as a co-founder in a startup environment, he is able to maintain a laser-focus on the long-term vision, while capturing current trends.

+12 years professional industry and entrepreneurial experience

MSc. Industrial Engineering and Management

0xCharles: Content Creator & Community Manager

Charles is a devoted family man and lover of life's pleasures. He has a legendary reputation for initiating new projects and is dedicated to preserving the beauty of our planet. Through years of experience in practical research and consulting, Charles has built an extensive network within the environmental sector. His true passion lies in fostering open communities, and he was immediately drawn to the decentralized approach of the DeFi space. As a result, he has already launched several projects within this field.

+14 years project management and consultant experience

Master of Engineering and Master of Science

0xFrank: Full Stack Developer / Smart Contracts

Frank has a deep appreciation for both technology and a refreshing, cold beer. As a full-stack developer at heart, he oversees the backend operations of Swapline, ensuring that everything runs smoothly. Whether it's building smart contracts, microservices, or deploying the pipeline, Frank is never far away from the keyboard. With several years of industry experience and the distinction of having founded two companies, he understands what truly matters in the beginning: passion and commitment.

+19 years professional industry (Fortune 50 Company)

Co-Founder of two startups

MSc. in Computer and Information Sciences

0xFox: Full Stack Developer / Architect

Fox is a highly skilled full-stack developer with 20 years of experience in the field. He and John have a longstanding working relationship that feels almost like brotherhood at times. Fox´s main focus is customizing the frontend of Swapline, and he spends countless hours discussing the functional design with John down to the smallest detail of code. Despite being a developer at heart, Fox is always mindful of the overall architecture and constantly on the lookout for new and exciting features to improve Swapline even further.

+22 years professional industry experience (Fortune 50 Company)

BSc. Computer and Information Sciences

0xChiado: Full Stack Developer

Chiado is a versatile full-stack developer who enjoys working with a wide range of technologies. At Swapline, he devotes most of his time to refreshing the frontend, skillfully moving millions of pixels to their proper places. His expertise and attention to detail help to create a polished and intuitive user experience.

+11 years professional industry experience

Msc.in Computer and Information Sciences

Tell us about the rest of your team (if there are more teammates):

As mentioned above, the overall team consists of 10 members with a wide range of skills, experiences and personalities. The rest of the team is helping Swapline in different areas: Graphic Design, Marketing, Business Development, and Community Management.

Is this your first Web3 project?:

This is our first Web3 project, but the team has been working together for many years in the web2 and software space.

If not, what else have you built? (Share links, Github repository, or any other useful information.):

_

I understand that Builders grants are subject to a 1 year lock-up, as explained further in this post 2: [Yes/No]:

Yes

Is your project funded? If so, provide an estimate of how many months of funding runway your project has:

Our project is self-funded with a runway of more than 1 year.

Grant Request

What is the size of the grant request? (50k OP max):

50k OP

How do you justify the size of the grant?

Our primary focus at Swapline is on our community and creating a product that meets the needs of our users while minimizing technical and economic risks. To achieve this goal, we have made the decision to self-fund our development process, without relying on VC funding or token presales. Our intention is to fully fairlaunch the DEX, without the risk of private investors overshadowing our community. To facilitate this process, we are seeking a grant to cover costs such as future audits, marketing, and future feature development. This will enable us to deliver the best possible product to our users while maintaining our commitment to transparency and community-driven development.

Roadmap

Describe in discrete steps your plan for accomplishing your project:

Already done:

- Liquidity Book Trading Module
- Manual Liquidity Pools
- Automated Limit Orders
- Farming / staking pools
- Upgrader: Token A to Token B
- FairlaunchPad

[

1203×1034 73.2 KB

](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/1/173d0f3b7d87f076d25299596be10105c33df8e1.png)

[

image

1489×1143 72 KB

](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/3/34cd262ec95d13bc520d51c7223be0fb7fe9bdfb.png)

To be done for launch:

- Automated Liquidity Vaults

- Full Audit

- Bribing System

Please provide any additional information that will facilitate accountability:(smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.)

We have not publicly shared our GitHub or smart contract addresses yet. But we are planning to do this after the audit. But we are happy to show the protocol in a live demo.

Does your plan depend on the receipt of OP tokens?:

No.

What is your plan for the use of the OP token after the 1 year lock-up?:

A portion of the OP tokens that we have received will be allocated to additional incentives, aimed at attracting more liquidity to the platform. The remaining tokens will be used to cover future protocol costs, ensuring the long-term sustainability of Swapline. By utilizing these tokens in a strategic and transparent manner, we can continue to build and improve our DEX for the benefit of our users and the wider DeFi community.

Please provide benchmark milestones for this project. These milestones should guide the Optimism community on the progress of your project during the 1-year lock-up period.

Our milestone will be centered around improving key metrics that directly impact our users, including active user growth, trading volume, available trading pairs, and total value locked.

By prioritizing these metrics, we aim to enhance the overall user experience on our platform and drive growth on the Optimism chain.

Our roughly estimated milestones are:

Month 1

Users: 500-1000

TVL: 1-2 M

Volume: 3-5M

Month 3

Users: 1000-2000

TVL: 2-10M

Volume: 20-30M

Month 6

Users: 4000-5000

TVL: 10-50M

Volume: 50-100M

The current market conditions are challenging and we all know this but our team at Swapline is focused on the long-term vision and mission. As a dynamic and agile team, we are well-positioned to adapt to changes in the DeFi space and take advantage of new opportunities as they arise. We think it's difficult to predict more specific milestones in the current market but we are committed to building the best possible DEX for traders, liquidity providers, and DAO members on Optimism.

Please define critical milestones for this project. Critical milestones are meant to show good-faith efforts to accomplish the project. Non-completion of these milestones could lead to revocation of remaining grant rewards.

[

All Milestones_horizontal

1920×1080 225 KB

](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/7/716c8aec404af360ef2a2c4f24bb9c7abe70a791.jpeg)

- Launch of first version Swapline homepage

Due date

: Done

Source:

swapline.com

- Launch of first Swapline Base Beta version on Optimism (Only Liquidity Book Manual Pools)

Meaning:

The beta will give a first glance of our DEX and enables the Optimism Ecosystem to use the first base version.

Due date:

~4th April

Source:

app.swapline.com and Swapline GitHub for Smart Contracts, Audit Report: TraderJoe V2

- Audit of Base Protocol version (Liquidity Book Layer + Automated pools + Limit Orders)

Meaning:

Swapline's highest priority is to ensure the safety of the funds of our users, of our partner projects, and of our community as a whole. The core platform and all subsequent features have been built with security at the forefront of all of our efforts. In addition, this audit will further strenghten the security level of our protocol.

Due date:

10th of April

Source for report:

docs.swapline.com

- Launch of Automated pools and Limit Orders after audit completion

Meaning:

Automatic liquidity management vaults will help to have the liquidity at the right place without the need to adjust manually on the user side. This is a key innovation to make the DEX more easy to use and attract more users. Automated limit orders will give traders the opportunity to buy and sell crypto without any fees or slippage. This is a very unique feature which brings large benefits for traders and will attract new users to the Optimism Ecosystem.

Estimated Due date:

8th of May

Source:

app.swapline.com and Swapline GitHub for Smart Contracts

- Launch of NFT campaign to bootstrap liquidity before official token launch

Meaning:

The NFT campaign will help to bootstrap liquidity after the launch. The NFTs can be earned by completing tasks on Crew3

and by providing and holding specfic amounts of liquidity in the pools. The NFTs will give owners special rewards / features on the DEX after the fairlaunch. This will incentivise and reward early users of our protocol. This campaign will be very attractive and we will market it over crew3 multichain which will bring new users to the Optimism Ecosystem.

Due Date:

9th of May

Source:

Swapline [Twitter](#), [Discord](#), [Crew3](#)

- Launch of incentive layer with protocol reward token (Opening farms and staking pools)

Meaning:

Farms and staking pools will help to incentivise liquidity for the pools.

Very rough estimated Due Date

: Beginning of June after Fairlaunch of reward token

Source:

[swapline.com](#); [GitHub](#) & [docs.swapline.com](#)

- Enabling Upgrade Option for reward token to get governance token for voting

Meaning:

As we have a dual token system, the upgrade function will give our users the opportunity to upgrade their token A to token B. Token B will be a limited governance token that provides specific features on the DEX (e,g, higher rewards, voting rights, access to special staking pools)

Due Date:

3 month after fairlaunch

Source:

[GitHub](#) & Swapline Socials.

Optimism Relationship

Does your project solve a problem for the Optimism ecosystem?:

One of our key objectives at Swapline is to increase liquidity efficiency on the Optimism chain. We believe that by offering users a seamless and user-friendly platform to trade assets, we can encourage more liquidity to flow into the ecosystem. To achieve this goal, we are constantly exploring new strategies and techniques to improve the efficiency and functionality of our platform. By increasing liquidity efficiency, we aim to create a more vibrant and sustainable DeFi ecosystem on the Optimism chain, benefiting both traders and liquidity providers.

In addition we could pick Optimism as our homechain. This means that all users of Swapline, doesn't matter on which chain in the future, need to bridge their Token A to Optimism to upgrade them to Token B. This will provide a strong incentive for users on other chains to join the Optimism ecosystem, leading to increased adoption and growth for both Swapline and Optimism.

How does your proposal offer a value proposition solving the above problem?:

On the technical side, we are dedicated to increasing liquidity efficiency on the Optimism chain, and our Liquidity Book model plays a critical role in this effort. By consolidating liquidity in single bins, we provide users with a smoother and more efficient trading experience, mostly with zero slippage and low fees. Our dynamic fee system adjusts fees during volatile situations to minimize possible impairment loss, while our automatic liquidity management vaults help us to ensure that liquidity is in the right place at the right time without the need for manual adjustments. Overall, these features work together to create a more robust and sustainable DeFi ecosystem on the Optimism chain, benefitting both traders and the broader community.

On the token economic side, Swapline was designed to create sustainable value for the community, and their projects. The community is the focus and Swapline grows together with the ecosystem! This long-term vision is anchored in the DEX's dual token system with Token A and Token B. With Token A, token pools can be incentivized sustainably, while with Token B all liquidity providers in the community can become part of the DAO and its business model. Due to the innovative inhouse developed upgrader smart contract, Token A and Token B are in balance with each other, making them more robust to

fluctuations in the crypto market.

All technical and economical aspects of the DEX will be explained in more detail in our whitepaper.

Why will this solution be a source of growth for the Optimism ecosystem?:

We could choose Optimism as our homechain, which means that Swapline would incentivize users to join the Optimism ecosystem to upgrade their Token A tokens to Token B tokens and earn higher yields. This can potentially attract more users to the Optimism chain and increase its overall usage and adoption.

How committed are you (and your team) to building on Optimism?:

Decentralized finance is increasingly evolving into a seemingly borderless multichain experience, removing some of the biggest barriers to growth in the sector. Optimism in combination with the future capabilities of its underlying superchain is spearheading the industry in this field. Swapline's vision is to offer a DEX that stays true to the values of decentralization while providing user-friendly access that can compete with traditional finance platforms. We believe with Optimism, Swapline would be ideally positioned to achieve this vision.

Is your project Optimism Native?:

For the beginning, yes. Swapline will be first launched on Optimism. But overall Swapline will expand with the liquidity pools to other chains.

Confirmations

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant: [Yes/No]:

Yes.

I understand that I will be expected to following the public grant reporting requirements outlined here: [Yes/No]:

Yes.