

Summary

Today, the Aave Companies are providing a progress update on the development of GHO since its initial introduction [to the community](#). This update will include details on the first GHO audit conducted by Open Zeppelin and the GHO technical paper, which is now available for community review.

Development Updates

Aave V3 Mainnet Upgrade

Originally, the community decided through a temperature check on Snapshot that GHO's first Facilitator would be the Aave V2 Market on Ethereum; however, in a [recent snapshot](#), the Aave DAO voted in favour of deploying a new Aave V3 Market* on Ethereum. The Aave V3 Market on Ethereum is well-positioned to serve as the initial Facilitator for GHO thanks to key risk-reducing features including e-mode, isolation mode, and supply caps.

We invite the community to discuss the proposed approach of the Aave V3 Market on Ethereum serving as the initial Facilitator for GHO.

First Audit

Pursuant to the DAO's Snapshot for Aave V2 deployment, Open Zeppelin has completed the first audit of GHO (on the source code for deployment on the Aave V2 Market on Ethereum) and did not report any major findings. Please find the Open Zeppelin audit report of the GHO Aave V2 Market source code [here](#).

If the community provides feedback on a different deployment of the Aave Protocol being the initial Facilitator for GHO, an additional audit will take place on the GHO Aave V3 Market code base.

We will continue to work with auditors to ensure that the contracts are thoroughly tested and secure before release.

Facilitator Process

A Facilitator (e.g., a protocol or entity) can trustlessly mint and burn GHO tokens. Various Facilitators will be able to apply different strategies to their generation of GHO. At launch, there will be one Facilitator for GHO; however, a framework with guidance on how to apply to become a Facilitator will be published on the Aave Governance forum.

Technical Paper

The GHO technical paper outlines the smart contract design of GHO. It contains an overview of the fundamental equation for GHO including supply and borrow mechanics, liquidation and repayment, the role of Facilitators, the discount model, interest accrual, stability mechanics, and information on the price oracle. We invite the community to review the paper and respond with any questions.

[GHO technical paper.pdf](#) (908.9 KB)

Testnet deployment

With the GHO technical paper, first audit, and access points under development, the Aave Companies are now ready to experiment with the first Testnet deployment. The Testnet deployment will be made within the coming weeks, so stay tuned for an announcement on the date and time!

Conclusion

Aave's goal has always been to provide the best possible experience for users while opening the world of DeFi to everyone. We believe that GHO has the potential to be a game-changer for the industry and we are committed to making it the best possible solution for Aave users. Thanks for supporting us on this journey!

We look forward to hearing community feedback on the GHO technical paper and development progress.

LFGHO!

*No deployment date has yet been provided; however, the new market is expected to be deployed in the coming weeks.