

# Summary

The current deposit amount of 10,000 DYDX prohibits valuable governance activity from small holders or those with most of their DYDX staked. We at Chorus One propose lowering the requirement to 2,000 DYDX, a 5x decrease.

Separately, the dYdX community could also consider extending the minimum deposit period from 2 days to 7 days. The current maximum deposit period of 2 days could be too short for community members to meet the minimum requirement.

## Objectives

The objectives of this proposal are to:

- Incite community members with less capital to participate and engage in governance on-chain.
- Recently, dYdX made it very simple to propose adding [new markets](#): by reducing the minimum amount, we expect community members to propose new markets.
- Accelerate dYdX development and growth.
- Give more time to dYdX community members to meet the minimum deposit requirement without putting their capital at risk.

## Background

The current deposit is 10,000 DYDX, which represents around \$28,000 today. This amount could be a bit large for community members, making it hard to participate in on-chain governance activity. Additionally, this poses an issue for large DYDX holders who do not have enough DYDX liquid because they are staking, thus requiring them to acquire more capital to meet the minimum requirement.

In addition to that, the current maximum deposit period on the dYdX chain is 2 days. We propose increasing that period from 2 to 7 days to give more time to community members who want to be more active in on-chain governance on dYdX to propose a proposal. Two days could be a bit short, as some community members who want to post a proposal on-chain can also work with others to meet the minimum requirement, and sometimes this can take some time. Increasing the max deposit period gives more flexibility to proposers.

## Proposer

Chorus One, we are a Validator on the dYdX Chain.

## Proposed Parameter Change

- Change the minimum proposal deposit requirement from 10,000 DYDX (around \$28,000) to 2,000 DYDX (around \$5,600).
- Increase the deposit period from 2 days to 7 days.

Note: If we notice that this amount is still a bit too large for the community to be involved in on-chain governance, we are willing to post another proposal to reduce the minimum deposit even more.

## Risks

Reduce minimum deposit amount: This change makes it easier to submit spam proposals. While this is true, we believe that this is a trade-off to accept in order to promote more community-driven initiatives to grow dYdX.

Note: We would also like to advise community members to carefully read governance proposals as the risk of spam might increase: do not click on links if you think a proposal is spam. Validators would also be active and vote NO WITH VETO in order to reduce spam from happening.

Increase maximum deposit period: The risk is simply that as the proposer will have more time to meet the minimum requirement, it can sometimes take a bit longer to see a proposal on-chain. However, 7 days is simply the maximum limit to meet the requirement, and any proposers can meet that requirement before 7 days, which won't change the way governance works.

## Next Steps

Absent strong dissent, the dYdX community could move forward with an on-chain vote as early as Monday (Feb 12, 2024).

## Governance Votes

The following items summarize the voting options and what they mean for this proposal.

**YES** : You approve the parameter change proposal to decrease the governance proposal deposit requirements from 10,000 to 2,000 DYDX and increase the deposit period from 2-7 days.

**NO** : You disapprove of the parameter changes in its current form (please indicate in the forum the reason why).

**ABSTAIN** : You are impartial to the outcome of the proposal.