Users pay 0.3% fee whenever they swap their tokens through Uniswap. Uniswap V2 have a protocol fee switch that can redirect 0.05% of 0.3% fees accumulated to other venues that Uniswap Governance see fit. So, the fees can be separated into two baskets: 0.25% goes to Liquidity Providers (LP) + 0.05% controlled by Uniswap Governance which is currently also directed to LPs.

When the UNI governance activates, I suggest we can can flip the switch and give the revenue to Uniswap Dev team and UNI holders with pre-defined schedules. Something like:

- 1st year: 80% Dev team + 20% Uni holders
- 2nd year: 60% Dev team + 40% Uni holders
- 3rd year: 40% Dev team + 60% Uni holders
- 4th year: 20% Dev team + 80% Uni holders
- 5th year: 100% Uni holders

I believe this can provide the team with considerable amount of revenue so that they can focus on buidling. Meanwhile UNI holders will also start to have a viable stream of revenue to ensure long term benefits for Uniswap stakeholders.

How do we distribute the fees to Uni holders? I believe "UNI buyback into community treasury" is the most optimal option for the long term sustainability of Uniswap.

Yes, Uniswap team also received UNI but it is vested.

Yes, 70% of those token will be unvested in in two years but that is why in the 3rd year most of the collected fees will be redirected to Community treasury.

Inspired by this conversation on Twitter