Proposal Motivation

We Michigan Blockchain are submitting this proposal to reinstate the deployment of Uniswap v3 on Polkadot's EVM-compatible parachain, Moonbeam.

Last spring, the Uniswap DAO voted on this exact topic. The proposal advanced through Uni's governance rails, receiving positive feedback from the community, progressing past the temperate check, and eventually passing with a near unanimous YES decision during the onchain vote. Nomad was the designated contract deployer and the appointed cross-chain messaging solution for that proposal. Illusory Systems (Nomad) received the Additional Use Grant, which can be seen on the v3-core-license-grants.uniswap.eth ENS subdomain. Although Nomad obtained the license exemption in May 2022, they never began v3 contract deployment on Moonbeam. This can generally be seen as fortuitous from Uniswap's vantage point as the hiatus allowed Uniswap to avoid exposure to the Nomad bridge exploit on August 1, 2022.

Recently, both the Uniswap and Moonbeam communities have voiced interest in reinstating the previous proposal. As a result, we have conversed with key members of the Moonbeam ecosystem to formulate a reformed proposal with a couple of modifications to the previous proposal. This new proposal will contain updates regarding the architecture and activity on both Polkadot and Moonbeam. The previous $2.5M commitment by the Moonbeam foundation to the Uniswap Grants Program (UGP) has been omitted due to difficult market conditions, but there are liquidity incentives available through Moonbeam Foundation's Level 3 grant process. This has the potential to qualify for the mentioned grant over the course of the next few months, allowing for more seamless liquidity bootstrapping on Moonbeam.

In accordance with Uniswap v3's BSL expiration on April 1, 2023, the need to include a "License Exemption" clause is now void. Instead, a section called "Deployment Details" (see below section) has been added, which outlines the verbiage that will be added to the new uniswap.eth ENS subdomain titled v3-deployments.uniswap.eth. This subdomain will serve as an onchain register of all of the v3 deployments that have passed through Uni governance rails and are recognized as canonical deployments.

Proposal Stakeholders

The following list of stakeholders is present to transparently communicate which entities and individuals are involved in proposal creation and implementation. It is important to note that the temperature check following this RFC will only be used to measure Uniswap's interest in deploying Uniswap v3 on Moonbeam.

The stakeholder list is NOT to be considered during the temperature check–stakeholder concerns will be relegated to the RFC. After receiving feedback, the final stakeholder list will be published with the onchain vote.

Proposer: Michigan Blockchain

- This entity is responsible for authoring the proposal & managing the governance process

Deployer: GFX Labs

- This entity is responsible for the technical deployment of the contracts on the target chain
- The GFX Labs team has already deployed the Uniswap v3 contracts on Moonbeam (see "Deployment Details" section below)

Bridge Provider: Wormhole

- This is the cross-chain messaging solution selected for this deployment

Target Chain: Moonbeam (a Polkadot parachain)

- This is the L1/L2 that v3 contracts will be deployed on

Proposal Sponsor: Michigan Blockchain

- This entity has >2.5M UNI and is therefore eligible for administering the onchain vote

Moonbeam, Polkadot, and How Uniswap Benefits

One of the key selling points for Uniswap's deployment onto Moonbeam is the potential for the DEX to attain market share in the broader Polkadot ecosystem.

The Polkadot Relay Chain

At the heart of Polkadot lies the Relay Chain, a layer-0 blockchain with limited bells and whistles, lacking native support for smart contracts. The purpose of the Relay Chain is to serve as a simplistic centerpiece into which other blockchains integrate. Layer-1 blockchains that connect to the Relay Chain are called parachains. Each parachain has autonomy over its

architecture with a native token, collator set (collators are just validators for a parachain), and governance system. The Polkadot Relay Chain uses Nominated Proof of Stake (NPoS) consensus, making it responsible for the crucial task of handling the ecosystem's security. The chain's staking ratio currently sits at 47% (~$4B DOT out of $7.6B DOT mcap) which indicates that nearly half of the token supply is involved in securing Polkadot. Parachain collators aren't directly responsible for security but are vital for aggregating parachain txns into a block candidate, along with a respective state transition proof, for the Relay Chain to validate. Offloading consensus responsibilities to the Relay Chain liberates parachains and lets them divert their resources and efforts to designing and maintaining specialized L1s like Moonbeam.

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Source: Polkadot

Moonbeam: Polkadot's Go-to EVM-Compatible Parachain

Moonbeam was inaugurated as Polkadot's second parachain after itwon a parachain slot auction in Q4 2021. Parachain slots are the limited number of seats present on the Relay Chain. Each slot is occupied by a particular project for a lease period of two years. Currently, 43 out of the 100 maximum slots are filled. In order for a parachain slot to become occupied, a project must win a slot auction: a 7-day bidding process during which multiple projects compete to attain a seat on the Relay Chain. The project that bids the most DOT tokens bonds (locks up) the bidded tokens for the duration of slot lease. Bonded tokens are returned post lease expiration. To ease the financial burden of self-funding large bids, projects vie for DOT holders' contributions to crowdfund their bid. Moonbeam received a total of 35,759,931 DOT from ~200k contributors, the highest number of tokens committed for any parachain auction. As a reward, DOT contributors received Glimmer ($GLMR), the native Moonbeam token responsible for rewarding collators, network txn fees, and governance. The sheer number of contributors made GLMR's distribution decentralized.

XCM & Interoperability

Along with security, the second core function of the Relay Chain is providing trustless interoperability between parachains. The sharing of state and validation logic enables a trustless ecosystem. Individual parachains do not have a reliance on trusting other parachains and can instead depend on the Relay Chain. The specific railway for sending assets and messages to parachains via the Relay Chain is called XCMP, which utilizes a standardized communication format called XCM. This is Polkadot's way of enabling a versatile cross-chain environment, as XCM is not only limited to parachains but can also be utilized by non-Substrate chains. XCM went live May 2022, the same month that the previous Moonbeam RFC was released. It has since relayed ~235k messages. Parity Technologies is constantly iterating on XCM's functionalities, with XCM v3 launching soon.

Moonbeam currently leads all other parachains in terms of cross-parachain txns via XCM channels. Over 2/3 of the top XCM channels involve transfers either to or from Moonbeam, illustrating the parachain's high usage in the Polkadot ecosystem.

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Source: Polkadot Subscan

Moonbeam also leveraged XCM to create the XC-20 token standard. XC-20 tokens are essentially Substrate assets that conform to the ERC-20 interface. This is a game changer for Uniswap. Since Uni uses ERC-20 tokens, the DEX struggles to accommodate non-ERC-20 tokens like Substrate native tokens. If a user wants to create a DOT/ETH pool, for instance, this is not possible due to DOT's incompatibility with Uniswap's ERC-20 requirement. Utilizing xcDOT, the XC-20 version of DOT, fixes this issue.

This interoperability between parachains will expose Uniswap to the entire Polkadot ecosystem. Uniswap's presence on Moonbeam will likely become a beacon for users and developers to access liquidity more seamlessly. The transfer of assets and data from Ethereum to Moonbeam to other parachains–and vice versa–would facilitate the overall growth of Polkadot and Uniswap.

Developers and Ecosystem

As of Q4 2022, Polkadot saw itsfull-time developer count increase to 752, trailing only behind Ethereum. This is in part due to the ease of using the Substrate framework. The rate of growth was on par with Ethereum but lagged behind competing chains like Cosmos and Solana. A more holistic measure of growth would also include the activity present on Polkadot's canary chain, Kusama, which saw a 21% increase in full-time developers. Prior to launching on Polkadot, projects tend to launch a version of their chain on Kusama–which is not a testnet but a fully sovereign chain–to battle test their product. Kusama hosts a very similar Relay Chain-Parachain architecture to mimic the conditions of Polkadot. Moonbeam's sister chain on Kusama is called Moonriver. Moonbeam itself saw a full-time developer growth rate of 39%.

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Source: Electric Capital

Moonbeam is only second to Acala in terms of parachain TVL, with $46.5M spread across 44 different protocols. Due to the ease with which Ethereum developers can launch their EVM dapps onto the parachain, Moonbeam boasts the largest quantity of applications in the Polkadot ecosystem.

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Source: Defi Llama

The DEX market on Moonbeam is largely uncontested, with StellaSwap absorbing most of the parachain's TVL. With capital efficient liquidity pools and strong brand recognition, Uniswap's expansion into the Moonbeam ecosystem will very likely enable it to capture market share from StellaSwap and also attract new users–the goal is not for this to be a zero-sum game.

Deployment Details

The approval of this proposal by Uniswap governance will lead the stated Uniswap v3 contracts to be deemed as the canonical deployment on Moonbeam. As is the case with all canonical v3 deployments, this deployment will be subject to Ethereum Layer 1 Uniswap Protocol governance and control. The text record of the uniswap.eth ENS subdomain titled v3-deployments.uniswap.eth will be amended to include the reference to the stated v3 contracts on Moonbeam.

Detailed Deployment Information (completed by GFX Labs):

Message Sender

Message Receiver

v3CoreFactoryAddress

multicall2Address

proxyAdminAddress

tickLensAddress

nftDescriptorLibraryAddressV1_3_0

nonfungibleTokenPositionDescriptorAddressV1_3_0

descriptorProxyAddress

nonfungibleTokenPositionManagerAddress

v3MigratorAddress

v3StakerAddress

quoterV2Address

swapRouter02

Bootstrapping Liquidity

Due to tumultuous market conditions, promises of liquidity bootstrapping have been temporarily excised. However, there are still alternative methods to help procure initial Uni v3 liquidity on Moonbeam post deployment. Michigan Blockchain is currently exploring writing a proposal on the Moonbeam forums via the Moonbeam Foundation's Level 3 grant process. We are open to community feedback here, but the plan is for our team to apply for a Moonbeam grant on behalf of the DAO.

Timeline

The proposal will be in the RFC phase for a minimum of 7 days. After receiving feedback, a temperature check will commence, assessing the DAO's desire to deploy on Moonbeam. Since deployment of the relevant contracts is complete, we will commence to the onchain vote as soon as the DAO approves the creation of the v3-deployments.uniswap.eth. Once the onchain vote passes, Uniswap Labs will handle the front-end integration updates and include Moonbeam to the auto router.