

Project Overview:

Harmony and [Hermes DeFi](#) are requesting an Additional Use Grant for the Uniswap V3 core to develop and deploy a next-generation AMM on the Harmony blockchain. Uniswap would receive a 10% allocation of the HERMES token, vested over one year. Long term value will be derived from increased user base, expansion to the Harmony blockchain and returns from project investments.

Abstract:

[Harmony](#) is a quickly growing L1 blockchain with advanced technology that offers trustless bridges, 2 second transaction finality, and scalability using a sharded proof-of-stake mechanism. Since June of 2019, their native token, \$ONE has grown to 3.5 Billion market cap with around 1B TVL in [DeFi protocols](#). However, the Harmony blockchain lacks a comprehensive, easy-to-use, and efficient DeFi platform. Hermes DeFi is an experienced team of developers that wants to deploy a Uniswap-V3 DEX/AMM on the Harmony blockchain. The generational enhancements of this framework, combined with a great need for a reliable DeFi platform on Harmony, offer an extremely appealing opportunity. Hermes DeFi has worked closely with the Harmony team, and recently [was approved for a 50K launch grant](#) to develop this platform. By allowing Hermes to deploy this framework, Uniswap will be able to expand their reach to a new blockchain without any additional development time. We would continue to work with Harmony and Uniswap directly to optimize our platform.

Motivation:

With respect to Hermes' strategic vision and why we consider that Harmony represents an appealing expansion, consider the following aspects. At the moment, the majority of projects on Harmony relate to the Earn2Play / GameFi / NFTs sectors. These projects are specialists in creating a large user base due to their specialized development in graphics, interfaces, and large and active communities. One issue these projects can have is the maintenance of stable and attractive liquidity so that large investors can invest efficiently. Currently, the solutions presented by the current DEX's available on Harmony are not efficient enough to meet this goal, so bringing a Uniswap V3-based DEX has the potential to fill a large need within the Harmony blockchain. This perfectly aligns to [Uniswap's goals](#) to expand to new users outside of the traditional DeFi sector.

Hermes has made substantial progress over the past month marrying other Harmony projects to the DeFi systems granted through the \$PLTS token. The \$PLTS token launched on December 27th, and as of today, Hermes holds around \$2.3M in [total value locked](#), distributed across 8 native harmony tokens in our pools and farms. We have demonstrated that we are capable of making these connections quickly, and would make powerful partners with new Harmony projects that host liquidity on our platform.

Specification and Rationale:

Hermes DeFi overview:

[Hermes DeFi](#) is an easy to use and powerful decentralized finance platform that empowers users to build their wealth through liquidity aggregation services and our native Harmony reward token, PLUTUS (PLTS). After a successful launch on the Polygon blockchain with our IRIS cross governance token, our team identified Harmony as a fantastic opportunity for expansion, as it is currently underserved by robust DeFi protocols. To this end, we have upgraded and deployed our new website and smart contract system on the Harmony blockchain, accessible at <https://plutus.hermesdefi.io>.

The tokenomics of Hermes DeFi revolve around two tokens, \$IRIS and \$PLTS. IRIS was launched on the Polygon chain, and has recently become cross-chain compatible with Harmony through our partnership with Anyswap/Multichain. It was distributed through our farming system of pools and farms. Our farming contracts were audited by Paladin <https://paladinsec.co/projects/hermes-defi/> as part of our commitment to safety. At Hermes, IRIS holders will always receive rewards and hold governance power.

PLUTUS is our current farming reward token that will grant holders a preferred swap into our final protocol. It contains multiple deflationary mechanisms to help sustain token value during the farming period, which have proven to be remarkably effective. First, PLUTUS transactions are taxed at a rate of 3%, 2% of which is converted to the 1DAI stablecoin and routed to the bank and 1% is burned forever. The bank is a new system that allows users to lock their PLUTUS tokens, removing them until the launch of Hermes Protocol, while earning stable coin and partner token rewards funded by the transaction tax as well as performance fees from our auto-compounding vaults. The emissions of PLUTUS have been designed to bridge the time gap until the development and launch of Hermes Protocol.

[Hermes DeFi](#) is composed of eight core team members that have undertaken projects on both the Polygon and Harmony blockchains with great success.

Project leader, Roberto Quintero

, has well-established connections within many aspects of the crypto community along with a business management degree at University of Porto.

CMO, Austin Hovland

, has experience with marketing strategy, data analytics, linux system administration, and a PhD in Bioinformatics from Cornell University.

Two back end developers, Wendel and PestCtrl

, have experience with DeFi 1.0/2.0, market lending, and are very familiar with Uniswap contracts.

Two front end developers, Miguel and Marvin

, who have built [customized user interfaces](#) from the ground up, backed by their work in consolidated companies in Berlin and Madrid.

Graphic designer, Kami

, is in charge of the graphics in social networks and internal documents, he is fluent in all Adobe software, illustration, and video production.

Communications Director, Aaron B

, his expertise in data analysis and extensive connections with Harmony projects make him a perfect fit for this position.

Throughout our entire journey together Hermes has committed to be safe, transparent, and fast. We deployed our first contracts on the Harmony blockchain in December 2021, and have grown to an active user base of almost 3,000 (along with 2,000 Discord members) in less than a month. Measuring our growth on our website using Google Analytics shows almost a three-fold increase in active users over the past month (Dec 27-January 27). If this pace of growth continues, we expect to surpass 2,500 daily users within the next month. We have deployed enhanced safety procedures including multi-sig wallets for our treasury and grant funds. Our commitment to the Harmony blockchain runs deep. Recently, we have deployed our own validator node and RPC endpoint for the Harmony blockchain and are now serving over 23M requests daily. We recently have been noticed as the third most influential Harmony Dapp in a [Twitter social analysis](#), with over 324K Tweet impressions from the last month. We have the skills, community insight, and momentum to successfully deploy a Uniswap V3 core based AMM/DEX and bring its many benefits to the Harmony blockchain.

About Harmony:

Harmony is an open, decentralized, and fast blockchain. Our mainnet runs Ethereum applications with [2-second transaction finality](#) and 100 times lower fees. Our [secure bridges](#) offer cross-chain transfers with Ethereum, Binance and 3 other chains. Build on Harmony, bridge to all chains. We are an open platform for your assets, collectibles, identity, and governance.

Since going live on Mainnet in June of 2019, the network has produced 30M+ blocks with 477 million transactions in publicly traded, native ONE tokens. The ONE token has reached a market cap of \$3.5B, joining the Top 50 in [CoinMarketCap](#) in October of 2021. HRC-20 tokens launched on Harmony boasts a DeFi ecosystem with a total TVL of over \$1.3 billion, including stakes, according to [DefiLlama](#). With over 700,000 unique wallets, 331,500 followers on Twitter, and 20,219 members on Discord, Harmony is a thriving and growing community.

Harmony is an EVM-compatible, [sharded Proof of Stake smart contract blockchain](#). Our Fast Byzantine Fault Tolerant (FBFT) consensus protocol, combined with random state sharding and Boneh–Lynn–Shacham (BLS) constant-sized signatures allows Harmony to achieve finality in one block or roughly two seconds – compared to optimistic finality in Solana or Avalanche, or 6 seconds for Cosmos, or 60 seconds for Polkadot. A normal transfer costs only about 0.000021 ONE. Harmony was the first sharding-based L1 on a mainnet. It has solved the trilemma of decentralization-security-scalability by uniformly scaling with shards.

The Harmony Foundation recently announced one of the largest [Ecosystem Grant Funds](#) worth \$300M to help attract industry leading projects such as Uniswap into the Harmony ecosystem. Other industry leaders like Sushi and Curve have launched into Harmony in Q2 and Q3 2021 respectively, while Aave governance voted to approve launching on Harmony, currently targeted to roll out at the end of Q4 2021.

The Harmony blockchain has [transparent development](#), and there are a number of upcoming major catalysts that are expected to drive new waves of adoption. Firstly, we are deploying trustless bridges to both [Bitcoin](#) and [Ethereum](#), increasing the flow of capital available to the Harmony blockchain. This would also enable trustless bridging of the Uniswap token to Harmony. Additionally, Harmony will aim to enable Apple Pay and Bank Wire on [1Wallet](#), opening up trusted avenues for fiat conversion. We have also recently enabled [Chainlink integration](#) to support more robust lending markets, and there are numerous other advancements already under development.

Proposal:

In this proposal, Hermes DeFi is seeking an Additional Use Grant for the Uniswap V3 core contracts on which to build an AMM/DEX platform on the Harmony blockchain. In return, we are prepared to offer partial project ownership to the Uniswap DAO, realized in an allocation of 10% of our HERMES token, vested over the course of one year. In such an agreement, the

Hermes DeFi team will deploy, manage, and grow the Uniswap user base on the Harmony blockchain. The growth of our platform will directly benefit the Uniswap DAO. We expect to complete core contract development, auditing, and deployment by March/April of 2022. Additional facets that will expand upon this codebase are the addition of lending markets, NFT staking, and The Hermes DeFi team is committed to transparency, and we will provide any and all information required to ensure that the legality, security, and ownership of this ecosystem is protected.

Benefits:

The DeFi ecosystem within Harmony is currently composed of three major players, but all of these ecosystems have inefficiencies and leave a large market opportunity for Uniswap to expand to one of the fastest growing blockchains with advanced technology. Harmony, despite its large user base, has more activity within NFTs and GameFi, and many traditional needs of a DeFi ecosystem (Swapping, High-Frequency Trading, Bridging, Lending and Borrowing) have yet to be elegantly and efficiently integrated. Many of the new members of the Harmony community are unfamiliar with basic concepts of AMMs, and the Hermes community focuses on education as a primary goal. As such, there is a large user base with untapped potential drawn to the Harmony ecosystem from other projects. Uniswap has little to lose from this proposal, as it only requires approval for Hermes DeFi to expand upon the Uniswap V3 framework that has already been developed.

Conclusions:

The Harmony blockchain represents an attractive market currently underserved by DeFi technology. Uniswap should, through the operation facilitated by Hermes DeFi and supported by the official Harmony development team, deploy Uniswap V3 to the Harmony blockchain. Doing so will directly benefit the Uniswap DAO by expanding their user base, earning financial rewards through ownership of this platform, and greatly benefit a quickly-expanding blockchain.

Voting:

- Yes, grant Hermes DeFi an Additional Use Grant License.
- No, do not grant Hermes DeFi an Additional Use Grant License.