

Title: [ARC] Polygon and Avalanche v2 → v3 Treasury Migration

Status: Proposal

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Simple Summary

This ARC presents the community with the opportunity to migrate our v2 Collector holdings from Avalanche and Polygon to the v3 Treasury holdings.

Abstract

Unifying the Treasury addresses on Avalanche and Polygon will consolidate Aave DAO's holding and reduce the complexity of the proposals that interact with assets held in the Collector Contracts. This will also decrease the opportunity for errors to occur as the v2 Collector Contract address will be deprecated.

The proposal will achieve the following:

- Redeem all aTokens held within the v2 Collector Contracts and deposit the funds into the respective v3 Treasury Contracts to earn yield.
- Upgrade the v2 aToken implementations to route future revenue to the respective v3 Treasury Contracts

Combined these two actions will migrate all existing Collector Contract liquidity to the more secure v3 deployment and will consolidate the Treasury Contracts on the Polygon and Avalanche networks to a single address.

Motivation

This proposal is motivated by two key principles.

Aave DAO is one of the largest liquidity suppliers to the Polygon and Avalanche v2 Liquidity Pools with the respective collector holdings representing roughly 3% and 5% of all supply on the respective v2 deployment. With the v2 markets to be deprecated some time in the future, large liquidity providers are at risk of not being able to redeem their entire position due to liquidity constraints within the respective Reserve. In transitioning liquidity from the v2 to v3 liquidity pools, it is beneficial for the DAO to transit ahead of time and not risk being one of the last liquidity providers to the obsolete deployments.

With the newer v3 deployment offering increased security and the DAO set to deprecate the v2 markets in time, the DAO has the opportunity to act as a first mover in migrating to the v3 Liquidity Pools. The DAO can signal to the market it prefers to provide liquidity on v3 deployments, encouraging others to follow.

Specification

Should the DAO positively signal via snapshot to proceed with the above proposal, Llama will prepare an AIP that will deliver the following upgrades to the Polygon and Avalanche v2 Liquidity Pools:

- Withdraw all Collector Contract controlled assets from the v2 Liquidity Pools and deposit funds into the respective v3 Reserves.
- Migrate all assets from the v2 Collectors to the respective v3 Treasury Contract.
- Upgrade the aToken implementations to direct all v2 Collector Contract Revenue to the respective v3 Treasury Contract.

The table below shows a list of the v2 and v3 Treasury Contracts across various networks. The v2 Collector Contract funds will be moved to the respective v3 Treasury Contract:

Network

Deployment

Address

Avalanche

Aave v3

0x467b92aF281d14cB6809913AD016a607b5ba8A36

Avalanche

Aave v2

0x5ba7fd868c40c16f7aDfAe6CF87121E13FC2F7a0

Polygon

Aave v3

0x7734280A4337F37Fbf4651073Db7c28C80B339e9

Polygon

Aave v2

0xe8599F3cc5D38a9aD6F3684cd5CEa72f10Dbc383

Next step is for a Snapshot to be created where voting YAE is to proceed with the implementation as specified above. To vote NAE or ABSTAIN is for the DAO to not proceed with this proposal.

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