

## Summary

This proposal aims to bootstrap the first on-chain SCRT-PERP on Demex (dem.exchange), an all-in-one perp DEX in the Cosmos ecosystem. The proposal, put forth by the Switchero Labs ([switchero.com](https://switchero.com)) team, suggests co-hosting a trading competition with the Secret Network Team to encourage traders to trade SCRT perpetual contracts, and provide liquidity to the SCRT perp pool. This proposal will act as a temperature check before proceeding to an on-chain proposal.

## Goal

To promote the awareness of SCRT-PERP to traders and liquidity providers, which will help to grow the SCRT community, we will propose a competition to reward traders and liquidity providers participating in SCRT-PERP.

## Benefits of SCRT-PERP on Demex

Currently SCRT-PERP is unavailable on Binance, the largest CEX. It's also unavailable on any perp DEXs. This makes it hard for on-chain traders to gain exposure to SCRT.

By listing SCRT-PERP on Demex, a perp DEX that is accessible from popular EVM networks and Cosmos, it allows more people to gain exposure to SCRT.

SCRT-PERP on Demex will also be enabled starting with 5x leverage, allowing for users to have more capital efficiency when gaining exposure to SCRT.

Liquidity providers who want to be SCRT-PERP market makers can also deposit USDC into SCRT-PERP pool to earn market-making fees on SCRT.

## Competition Details

A SCRT-PERP market will be created and a SCRT-PERP Pool backed by USDC will be created and connected to the market to bootstrap deep liquidity and minimal slippage for trading.

1. A leaderboard will be created for traders using the following mechanics:
2. Traders must accumulate points to compete for the top ranking on the leaderboard.
3. For every \$100 USD on the following markets (after leverage for perps), a trader will earn:

5 points when trading on SCRT perps

2 points when trading on other perp markets

1 point when trading on any spot markets

- Traders can multiply their points by the Frequency Factor if they trade actively on Demex:
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5 points when trading on SCRT perps

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1. Traders can multiply their points by the Frequency Factor if they trade actively on Demex:

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](<https://global.discourse-cdn.com/standard17/uploads/enigma1/original/2X/8/8389bfbbee892b1a008fce693f33da62bdf5a08fd.jpeg>)

- Total points = Trading Points \* Frequency Factor.
- Liquidity Provision for Perp Pool: Anyone can provide liquidity in the form of USDC to gain a share in market-making on the SCRT-PERP market and earn 8bps in maker fees per volume. This is one of the highest maker rebates in the perp DEX space and SCRT-PERP is expected to receive a trading volume of >\$1m during the competition. This

makes providing liquidity to SCRT perp pool more attractive, and will also raise more awareness about SCRT.

## Seeking Incentives

To promote and incentivize the trading competition specifically designed to reward the Secret community, we are requesting a prize pool from the Secret Community Pool.

- For the competition prize pool, we seek \$5000 in SCRT tokens

in the form of a variable prize pool. This means that the prize pool is dependant on the number of participants. If the total prize pool has not been exhausted, the remainder will be refunded

back to the community pool address.

Number of Participants

Maximum Prize Pool

<50

\$1,000

50-100

\$3,000

100

\$5,000

## Demex's Support

- To promote and show our mutual interest in the Secret Trading Competition, the Switchero Labs Team will bootstrap the initial **\$5,000**

in liquidity for the Perp Pool.

- Demex will put out marketing collaterals leading up to the competition, and daily during the competition period to aggressively promote the competition.
- The competition will be specially designed to match Secret's branding dedicated to the Secret Ecosystem.

## Distribution

- This proposal, if accepted, will spend \$5,000 worth of SCRT tokens from the community pool, to the dev team address at `scrt1234`

on Secret Network in order to fund and incentivize the Secret Trading Competition on Demex.

- This sum will be used only for the purpose of payment of prizes to the winners of the competition. Winners will receive \$USD (grouped stablecoin) on Demex within 60 days of the competition concluding.
- Any extra unused prize funds will be transferred back to the community pool fund.

## Feedback

If the community has any feedback regarding the mechanics of the competition or any concerns, we are more than happy to address them or make changes together in favor of the community. Feel free to leave comments below on this post, or we can engage in a lively discussion on the Secret Telegram channel.

## What is Demex?

Demex is the cross-chain derivatives DEX powered by Carbon and is designed to support any type of financial asset imaginable. Demex aims to make finance accessible and trust-optional while providing an intuitive and familiar user experience. Demex is home to a number of popular and exotic spot and perpetual markets.

Demex exists on Carbon Network ([carbon.network](https://carbon.network)), a DeFi-focused L1 Cosmos Network built with Cosmos SDK and is IBC-enabled. The team behind Carbon Network is called Switchero Labs, a doxxed Singapore Web3 development studio founded in 2018.

Demex's Perp Markets and Pools

Demex Perp Pool's are Demex's upcoming revolutionary product about to change the game for both liquidity providers and traders. Perp pools are automated market-makers designed to provide deep liquidity with minimal slippage to its supported markets.

It benefits liquidity providers as anyone can provide liquidity and earn a share in market-making, funding fees and traders PnL. It benefits traders as the perp pools have the ability to market-make and provide liquidity to very rare and exotic markets. This make Demex the ideal and perfect DEX to make the trade of a lifetime.

Demex Perp Markets are supported by Pro Mode, for our advanced traders to use special limit order types, take profit stop loss triggers, chart trading, and so much more. Perp markets are also supported by Lite Mode, for those who would like to trade on the go and take on a quick position.

Consolidated reference links:

[docs.google.com](https://docs.google.com)

[

](<https://docs.google.com/document/d/1St77B6gykRFiuxOfAKouhvZyOfd10LyjZmi0CnJIFNA/edit>)

### **Carbon Proposal Reference Links**

Reference links: Nitron money market dApp: <https://app.dem.exchange/nitron> Money market guide: <https://guide.carbon.network/features/money-market> Audit: <https://github.com/Switchéo/carbon-poly-network-evm/tree/master/audits> Core dev website:...