

Listing proposal of mStable assets on Aave: mUSD and imUSD

To the Aave community, the mStable genesis team would like to submit a new ARC asset onboarding proposal for two mStable assets: mUSD and imUSD

mStable is building autonomous and non-custodial stablecoin infrastructure, and leverages lending income with trading fees to produce higher yielding, more capital efficient assets. It was created to tackle three major issues facing stablecoins today:

- The fragmentation of same-peg assets
- The lack of native yield
- The lack of protection against permanent capital loss

About mUSD and imUSD

mUSD

is a diversified meta-stablecoin that tracks the US dollar. It is available and liquid on Curve and Balancer and is increasingly being integrated across the broader DeFi ecosystem: 1inch, ARCx, Rari Capital, OpenDAO's Open Market and many more.

imUSD

is a tokenised and composable representation of mUSD deposits in mStable's Save v2 contracts, a best-in-class savings account for DeFi. We envision imUSD would only offered as a collateral option on AAVE, and not be used for borrowing.

mUSD is currently only supported on CREAM's Iron Bank.

imUSD is not yet supported on any major lending markets.

Benefits of adding mStable assets on Aave:

- Diversification of stablecoin assets: mUSD is a meta-stablecoin with risk minimisation characteristics and censorship resistance. Adding mUSD would decrease aggregate risk in the Aave ecosystem
- Once mUSD support is live, ~7M mUSD could be deployed from mStable's Save v2 contract to seed the market for borrowing, increasing Aave's TVL.
- imUSD would be the first collateral yield bearing asset (pure USD yield) to become available for use on Aave.
- Pave the way for future mStable assets on Aave: We have just released mBTC, and intend to release other stablecoins such as mEUR and mETH in future. mUSD and imUSD integration would set the stage for further collaboration between mStable and Aave's ecosystems in future should that be desirable for the Aavengers.

Useful links

- Official: <https://mstable.org/>
- Documentation: <https://docs.mstable.org/>
- Code: <https://github.com/mstable>
- Forum: <https://forum.mstable.org/>

Audits/Security reviews:

A full list of our audits and security reviews can be found here in our docs <https://docs.mstable.org/protocol/security#auditing>

Risk Score

We are happy to defer to the Risk team to evaluate mUSD and imUSD, but after an initial assessment of the Aave's risk framework we feel they would sit somewhere between C to B-

Thanks for your consideration Aave community! We look forward to hearing your responses.

Added Specifications:

What is the link between the author of the AIP and the Asset?

Part of the Genesis team.

Provide a brief high-level overview of the project and the token

mStable is a protocol that unites stablecoins, lending and swapping into one robust and easy to use standard. It is governed and secured by a protocol token, Meta, and is used to create "mStable assets", which are tokenized representations of some value peg, such as USD in this case. The mUSD stablecoin can be used by a holder to earn interest from locking it in the "SAVE" section of our app, which resembles traditional savings accounts.

Explain positioning of token in the AAVE ecosystem. Why would it be a good borrow or collateral asset?

mUSD brings a risk minimised meta stablecoin not only with a large number of native yield farming opportunities but also with the ability to convert it into the underlying. This produces demand and also gives borrowers the opportunity to reduce the pressure on other leading stablecoins by borrowing and then converting to the underlying. (In addition to all the points we mentioned on forum etc)

Provide a brief history of the project and the different components: DAO (is it live?), products (are they live?). How did it overcome some of the challenges it faced?

mStable was begun in Melbourne, Australia, in late 2018. It was initially designed to address the fragmentation of stablecoin markets and the challenges to adoption and use that arose from this.

On July 18th, 2020, 2.66 million MTA were sold in an open public auction. The proceeds of this auction were collectively pooled in the mStable DAO.

In terms of challenges faced, one I think worth highlighting is raising capital for a "defi" project before DeFi was a prominent investment thematic. We overcame this by operating very lean, and focusing on the code above all else.

Another challenge would be balancing the shipping product at a fast pace, whilst managing security. We do this through multiple strategies such as consistent audits, guarded launches, and a bug bounty program on [immune.fi](https://immunefi.com).

How is the asset currently used?

mUSD is currently used as a stablecoin and lending asset. When saving mUSD in the SAVE section of the app, the asset converted into imUSD, a high-yield bearing token. This whole process is completed autonomously by mStable's smart contracts and the user interacting with those smart contract.

mUSD is in the few cryptodollars offering reduced risk and volatility in the DeFi space.

Emission schedule:

None. It is minted from underlying.

Token permissions and upgradability:

Upgradability is performed through a 5/8 gnosis safe multisig, with some core team, and some external industry experts. In addition, there is a 1 week delay between when the upgrade is proposed and when it can be executed - giving users the chance to opt out from an upgrade. In addition, changes are only made after they have been proposed and voted on through snapshot. Learn more about mStable's governance over our medium posts titled: [Governance Update](#).

Market data (Market Cap, 24h Volume, Volatility, Exchanges, Maturity)

Contracts date of deployments, number of transactions, number of holders for tokens

mUSD token deployed: <https://etherscan.io/token/0xe2f2a5c287993345a840db3b0845fbC70f5935a5>

5.1K holders

230,852 transactions

Market Cap

\$48,219,278

24 Hour Trading Vol

\$1,819,241

24h Low / 24h High

\$2.28 / \$2.47

Circulating Supply

20,718,805 / 100,000,000

Fully Diluted Valuation

\$232,731,944

Max Supply

100,000,000