AIP: TBD

Title: MakerDAO Multi-Collateral Dai onboarding on the AAVE Arc Market

Status: Proposal

Authors: @zxMori_MakerDAO, on behalf of the MakerDAO Growth CU

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Abstract

This proposal aims to jumpstart the onboarding process for Multi Collateral Dai on the Aave Arc Market. Dai is a stablecoin backed by multiple collateral types, mainly ETH, WBTC and other stablecoins such as USDP (Paxos Dollar) and USDC (Circle USD Coin).

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Collateralization components of Dai on 2021-12-27. See more at https://daistats.com

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](https://europe1.discourse-cdn.com/business20/uploads/aave/original/2X/3/320fd27e8ee529eb6fd7d1e7c7515926646053ee.png)

Fig. 1: Collateralization components of Dai on 2021-12-27. See more athttps://daistats.com

Maker users can open positions in the protocol, mint Dai against their collateral and are able to either hold Dai or use it to leverage yield farming opportunities on the DeFi space.

Dai's position in the markets

Dai is the premiere stablecoin available for use in DeFi protocols. It, being crypto-native allows users to borrow an amount of stablecoins leveraging their crypto positions, without the need to sell their volatile assets. This allows for a wide range of use cases, from simple stable borrowing to complex leveraged positions, enabled by the Maker Protocol.

The amount of Dai in circulation as of 2021-12-27 amounts to ~$9.3B, making it the biggest crypto native stablecoin on offer in the market. Due to this, many protocols on the Ethereum ecosystem (and on sidechains such as Polygon, Avalanche, and Fantom) accept Dai positions.

Dai services for institutions

MakerDAO has facilities for institutional clients to leverage their own positions (either crypto, via regular vaults - or real-world assets via RWA vaults). This proposal, thus, aligns with our institutional offerings - since having Dai on a permissioned market that institutions can enter will allow them to get right into into DeFi products without having to jump through hoops to stay in the clear KYC-wise.

We've already onboarded several financial institutions to the DeFi space, including Societé Generale (borrowing Dai against government-issued bonds), Nexo (offering our Vault solution to their platform's users) - so we think a MakerDAO x AAVE collaboration for institutional clients is right on theme for both projects' stance on institutional support.

Specification

Multi-Collateral Dai should be whitelisted for use on the Aave Arc Market. The address of the token on the Ethereum Main Network is 0x6b175474e89094c44da98b954eedeac495271d0f