

Overview

This proposal is for Spark deployment on zkSync Era Mainnet. Our conviction is rooted in the potential which Spark on zkSync holds to usher in novel use cases within the DeFi ecosystem and stimulate increased demand for sDAI across all channels.

zkSync Era Mainnet is a significant leap forward in Layer 2 technologies with long awaited improvements and benefits for Ethereum developers:

- EVM Compatible - supporting generalized EVM smart contracts on a ZK rollup making it easy to deploy existing dApps
- ToolChain Compatible - able to port smart contracts with existing tools
- Ethos Compatible - aligned with the ethos of decentralization and open-source
- Certainty - using zero knowledge proofs offering certainty of security not probability
- Future Proof - ecosystem partners that adopt zkSync 2.0 now will enjoy all future improvements without the need to change their code

zkSync Era Mainnet was launched on March 24, 2023. zkSync currently crossed over \$400M TVL (grown +50% in the last four months), and unique wallets have crossed 3.7M. Transaction volume has averaged +15% week-over-week growth the last four months with a few times surpassing Ethereum itself on daily transactions.

This marks just the beginning with key network infrastructure upgrades coming within the next few months which will catalyze growth of TVL, users and transaction growth, as many protocols will now be able to launch.

Motivation

Concentrating initial growth efforts on zkSync strengthen the positions of both DAI and sDAI as prominent stablecoins and yield-bearing assets within the L2 ecosystem.

Increasing DAI's supply and trading volume directly contributes to the protocol's growth while significantly extending Spark's reach to a blockchain ecosystem prioritizing maximum security and scalability. There is also an extensive list of projects that can be built upon Spark.

zkSync boasts a native bridge and bridging protocols designed to seamlessly integrate sDAI, allowing it to be bridged to zkSync for seamless utilization within the DeFi space.

Technical Implementation

The initial Spark Lend deployment is a permissionless deployment, as laid out in the [Spark Multi-Chain approach](#), without the D3M module currently in place on mainnet. A 3rd party would seed liquidity via a temporary DAI deposit replacing the D3M module on mainnet until the Allocator system is in place to allocate cross-chain liquidity.

This will allow Spark Lend to already onboard collateral, build up liquidity and liquidation infrastructure such that once available, the Allocator system can be plugged in right away.

zkSync will provide the code for the L2 Executor and Crosschain Forwarder.

Collateral Information

Initial collaterals to be onboarded via Chainlink.

- WETH
- rETH
- wstETH
- DAI

Spark Protocol currently leverages Chainlink Price Feeds for its oracle needs. We are presently in discussions with the Chainlink Labs team, who will be supporting zkSync soon in Q4. This timeline works perfectly with Spark's deployment plans as well as our liquid staking partners, providing us with ample time to complete all the necessary procedures for introducing a new chain.

Liquidity

Additionally, we are exploring a number of options to seed the initial DAI liquidity for Spark's launch on zkSync. Minimum target size for DAI liquidity would be \$2,000,000 with the intent to bootstrap the growth of Spark on zkSync.

References

- Matter Labs Github: [Matter Labs · GitHub 10](#)
- zkSync 2.0 Testnet Docs: [zkSync Documentation | zkSync — Accelerating the mass adoption of crypto for personal sovereignty 17](#)
- Blog Posts: [https://blog.matter-labs.io/ 9](https://blog.matter-labs.io/)

Technicalities

- Solidity/Vyper support; recommended to use ^0.8.0 and Vyper ^0.3.3
- RPC is public: We fully support the Ethereum JSON API, with some additions for L2-level features.
- The Graph is currently indexing zkSync v1 and v2
- Working on all other plugins (ape, founders, remix, truffle, tenderly)
- Chainlink finalising, deploying shortly