

# Title: [ARFC] Onboard fdUSD to Aave v3 on BSC

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## Summary

The proposal aims to onboard fdUSD, a fiat-backed stablecoin, to the Aave v3 protocol on the BNB Chain (BSC).

## Motivation

fdUSD is a dollar-pegged stablecoin that provides stability and value preservation for users on the BNB Chain. It is issued by FD121 Ltd. (First Digital Labs), a subsidiary of First Digital Group that is incorporated in Hong Kong.

As part of the approved [deployment on BSC](#), fdUSD will be a key asset for supply liquidity and borrow demand. As this is a net-new asset for Aave, we propose this ARFC to confirm community approval to add fdUSD as an asset for the launch of the BSC deployment of Aave. The proposal seeks to leverage the strong demand for stablecoins and the growing popularity of the BSC ecosystem to provide users with enhanced liquidity options.

Benefits of listing fdUSD:

- Enhanced liquidity options for Aave users on the BSC deployment
- Increased utility for fdUSD as it becomes available for lending and borrowing
- Strengthened collaboration between Aave and the BSC ecosystem, fostering growth and innovation
- Aave's BSC deployment will be integrated with Binance's web3 wallet, making easy access for Binance users to deposit fdUSD in Aave through the Earn program.

Market Impact:

Listing fdUSD contributes to the overall growth of Aave by expanding the range of assets available for lending and borrowing on the BSC pool.

As a main asset for use in Binance launch pools, we expect there to be good borrow demand for this asset.

Chains to be deployed/listed:

The intention is to list fdUSD on the Aave's upcoming BNB Chain deployment.

Proof of Liquidity (POL) and Deposit Commitments:

- Collaborations with external parties are in place to bootstrap liquidity and contribute to a robust and diverse liquidity environment for fdUSD. BNB chain partners have committed to providing an initial supply side liquidity of up to 5m fdUSD.
- Plans for implementing liquidity mining programs tailored to Aave's BSC deployment are under consideration.

## Specification

Ticker: fdUSD

Contract Address: [0xc5f0f7b66764f6ec8c8dff7ba683102295e16409](#)

Chainlink Oracle: [0x390180e80058a8499930f0c13963ad3e0d86bfc9](#)

Based on Risk Service providers, the following Risk Parameters are proposed:

Risk Parameter

FDUSD

Isolation Mode

NO

Enable Borrow

YES

Borrowable in Isolation

YES

Enable Collateral

YES

Emode Category

NO

Loan To Value

70%

Liquidation Threshold

75%

Liquidation Bonus

5.00%

Reserve Factor

20.00%

Liquidation Protocol Fee

10.00%

Borrow Cap

3,600,000

Supply Cap

4,000,000

Debt Ceiling

N/A

Stable Borrowing

NO

uOptimal

90%

Base

0%

Slope1

6%

Slope2

75%

## Useful Links

- [fdUSD](#) - First Digital Labs website.
- [fdUSD Whitepaper](#)
- TEMP CHECK [\[TEMP CHECK\] Onboard fdUSD to Aave v3 on BSC](#)

- Snapshot [Snapshot](#)

## Disclaimer

ACI worked with relevant partners in the BNB Chain ecosystem to craft this proposal. ACI holds no conflict of interest or relationship with the fdUSD protocol, and no compensation has been received for publishing this proposal.

## Next Steps

1. If consensus on ARFC stage is reached and risk service providers provide feedback on risk parameters, escalate to ARFC snapshot stage.
2. If ARFC snapshot stage outcome is YAE, escalate to AIP stage

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