

[ARFC] Onboard artMETIS to Aave V3 on Metis Market

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Summary

This proposal suggests onboarding artMETIS, the LST for METIS token as collateral on Aave v3 on Metis market.

Motivation

Artemis is a liquid staking protocol launched in Feb 2024 that enables users to stake their METIS token and participate in the decentralized Sequencer staking. It is the largest LST protocol and the 3rd highest TVL protocol on the Metis network. artMETIS is a liquid wrapper of the staked METIS on Artemis and accrues the staking rewards directly. Therefore, 1 artMETIS can always be redeemed to more than 1 METIS.

artMETIS liquidity is concentrated in artMETIS/METIS pair on Hercules, allowing for swap of 100 artMETIS to METIS with less than 0.5% slippage. The pool TVL currently has \$3.43M and is available [here](#).

artMETIS can also be utilized as collateral on [Shoebill](#) METIS market, enabling users to borrow assets and access liquidity by leveraging their artMETIS holdings. artMETIS is the top supply asset on Shoebill with over \$3 million TVL.

Benefits of listing artMETIS

We believe that listing artMETIS will bring significant benefits to all parties involved and is a strategic decision that aligns with the goals of Aave.

- Increased liquidity. The addition of artMETIS introduces an opportunity for users to borrow and lend LSTs.
- Market expansion and user adoption. The listing of artMETIS has the potential to attract new users to the Aave platform.
- Leveraged lending is a crucial use case for lending platforms. It not only brings more TVL and users to the platform but also significantly incentivizes genuine lending activity. This, in turn, generates more fee revenue for the project.
- AAVE's artMETIS assets will receive an additional weekly incentive of \$5000-\$10000 in oMETIS (Option Metis), along with an extra 1X ART Points. These points will be eligible for future Artemis airdrops.

Chain to be deployed/listed

artMETIS will be listed on Aave V3 Metis market with the following specifications.

Ticker: artMETIS

Contract Address: [0x2583A2538272f31e9A15dD12A432B8C96Ab4821d](#)

Chainlink Oracle: 0x96C4A48Abdf781e9c931cfA92EC0167Ba219ad8E

Specification

Risk Parameters will be provided at ARFC stage by Risk Service Providers and the ARFC will be updated accordingly.

Proof of Liquidity (POL) and Deposit Commitments:

The Metis Foundation has shown strong commitment to supporting Artemis by committing 10k METIS and 10k artMETIS tokens to provide liquidity on Hercules DEX.

Furthermore, the launch of Metis sequencers has sparked interest from institutional investors who are looking to invest and stake the METIS token. Artemis, as a leading liquid staking protocol for METIS, has actively engaged with these investors and successfully onboarded them to stake their METIS tokens with Artemis.

Artemis has implemented a points system that incentivizes the initial liquidity bootstrap and user activity on various platforms. By supplying and borrowing artMETIS tokens on Aave, users can earn additional points and become eligible for the Artemis token airdrop.

In recognition of Artemis's efforts, the Metis Foundation has provided official grants to support the development of DeFi use cases for artMETIS. Part of this grant will be allocated to incentivize users on Aave.

In summary, the commitment of the Metis Foundation to provide initial liquidity, collaborations with external parties to bootstrap liquidity, implementation of liquidity mining programs, support for staking and yield farming opportunities, and the provision of grants to incentivize the user activity on Aave all contribute to a strong proof of liquidity and deposit commitments. These factors demonstrate the significant value and potential growth that the listing of artMETIS can bring to the Aave ecosystem.

Useful Links:

[Website](#)

[X](#)

Documents:

<https://docs.artemisfinance.io/>

Audit Report:

<https://docs.artemisfinance.io/audit>

Defillama:

[DefiLlama](#)

DefiLlama

DefiLlama is a DeFi TVL aggregator. It is committed to providing accurate data without ads or sponsored content, as well as transparency.

Disclaimer:

This proposal is powered by Skywards. The Aave Chan Initiative is not directly affiliated with Metis and did not receive compensation for creation this proposal.

Next Steps

1. Publication of a standard ARFC, collect community & service providers feedback before escalating proposal to ARFC snapshot stage
2. If the ARFC snapshot outcome is YAE, publish an AIP vote for final confirmation and enforcement of the proposal

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