

Hi Aave community!

I recently submitted an [application](#) to onboard Gemini's GUSD stablecoin as a collateral asset to the MakerDAO protocol. I think that GUSD could also be a worthy addition to Aave.

Some details about GUSD:

GUSD is issued by Gemini Trust Company, LLC, a New York state based trust company. The fiat USD corresponding to issued GUSD is held by State Street Bank and Trust Company (NYSE:STT). Monthly accounting examinations are performed by BPM, LLP. GUSD was launched in September 2018 and for a time was one of the largest stablecoins with over \$100M circulating at its peak. The circulating supply of GUSD has since declined as it was dwarfed by USDC, USDT and other stablecoins with wider trading and defi usage. The supply of GUSD is currently ~\$10.5M, having grown from a trough of ~\$4M at the end of 2019.

Whitepaper: <https://gemini.com/static/dollar/gemini-dollar-whitepaper.pdf>

Website: <https://gemini.com/dollar>

Twitter: <https://twitter.com/Gemini>

Source Code: <https://github.com/gemini/dollar>

GUSD token contract: <https://etherscan.io/token/0x056fd409e1d7a124bd7017459dfea2f387b6d5cd>

Accountant's reports at bottom of page: <https://gemini.com/dollar#reports>

Trail of bits contract audit: <https://gemini.com/static/dollar/gemini-dollar-trailofbits-audit.pdf>

Liquidity:

GUSD can be exchanged for USD at a fixed 1:1 rate on the Gemini exchange. I have personally tested this out and was impressed with the results: withdraw of GUSD from Gemini exchange was sent within 1 minute using fast gas, and deposit back into Gemini was credited within ~17 block confirmation. It should be possible for liquidators (who are willing/able to KYC) to flip GUSD collateral directly through Gemini for the time being. GUSD also has a few trading pairs on other centralized exchanges such as OKEx, HitBTC, and ZB. I plan on submitting a proposal to create a GUSD Curve pool in the near future as well, if this is supported by veCRV voters the on-chain liquidity for GUSD should improve substantially.

Benefits for Aave:

- Diversification of centralized assets: GUSD relies on a different issuer and custodian compared to USDC, TUSD, USDT, or BUSD. Credit, custody, or regulatory risks may be less correlated across these assets, which could reduce risk to Aave security module stakers.
- New DeFi on/off ramp: Gemini has good linkage with US bank wire and ACH networks, comparable to Coinbase as a fiat ramp.

While Coinbase have played nice so far, it's dominance in regulated crypto liquidity and USDC on/off ramp has huge influence over the space. I see Gemini and GUSD as a viable competitor. From an industrial economics standpoint, Aave and other Defi protocols like Maker may benefit from breaking down monopolies of their key counter-parties.

++ onboarding proposals for [Curve](#) and [Compound](#)