

Title: [ARFC] Add FRAX Arbitrum Aave v3

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References

Website: <https://frax.finance/>

Whitepaper: <https://docs.frax.finance/overview>

Documents: <https://docs.frax.finance/>

Analytics: <https://facts.frax.finance/>

Github: [frax.finance · GitHub](#)

Arbitrum Contract Address: [Arbitrum: 0x17FC002b466eEc40DaE837Fc4bE5c67993ddBd6F

](<https://arbiscan.io/token/0x17FC002b466eEc40DaE837Fc4bE5c67993ddBd6F>)

Oracle Address: [Arbitrum: 0x0809E3d38d1B4214958faf06D8b1B1a2b73f2ab8

](<https://arbiscan.io/token/0x17fc002b466eEc40Dae837fc4be5c67993ddbd6f>)

Audits

- 11/2020: [Certik](#)
- 07/2021: [Trail of Bits](#)
- 01/2022: [Trail of Bits](#)

Summary

This publication presents the community an opportunity to add FRAX to the Arbitrum v3 Liquidity Pool.

Motivation

FRAX can use its Lending AMO (similar to Maker's DAI Direct Deposit Module) to mint protocol controlled FRAX to be lent out on Aave Protocol. Frax Finance has in the past done so in Aave v2 on Ethereum and has already stated on the Aave governance forum an interest in doing so on other deployments once FRAX is added.

The Frax Finance team could deploy a similar Aave Lending AMOs to Aave v3 after FRAX is listed. This will provide Aave users with access to FRAX and present an alternative to the four USD stable coins on Aave v3.

Users are able to borrow FRAX and earn yield across DeFi, such as on Curve Finance and Convex Finance.

Specification

1. What is the link between the author of the AIP and the Asset ?

There is no link between the authors and the core teams of the asset.

1. Provide a brief high-level overview of the project and the token ?

See summary.

1. How is the FRAX token currently used ?

FRAX is a popular stablecoin to borrow, with its Lending AMO it is able to mint protocol-owned FRAX to ensure low interest rates.

1. Emission schedule

FRAX is a stablecoin and mintable/redeemable so it does not have a governance token emission schedule.

1. Token (& Protocol) permissions (minting) and upgradability. Is there a multisig? What can it do? Who are the signers?

There is a multisig which can operate certain AMO contracts but cannot in any way change users' FRAX balances, cannot freeze or pause any user's funds, and cannot in any way alter the behavior of the protocol or sweep/rug collateral or value. There are no FRAX whitelists/blacklists in any capacity as it is entirely a bearer asset/decentralized similar to DAI.

1. Market data (Market Cap, 24h Volume, Volatility, Exchanges, Maturity)

Arbitrum

Market Cap: ~\$22,425,936.51

24h Volume: ~\$50M

Volatility: stablecoin (low)

Exchanges:

Arbitrum Launch Date: [27/09/2021](#)

Date of deployment: Dec 20th, 2020

Number of crosschain token holders: 25,000+

The protocol currently holds over [\\$1,004,053,174.00](#) in TVL across all chains

1. Social channels data (Size of communities, activity on Github)
2. Discord: [Discord](#)
3. Telegram: [Telegram: Contact @fraxfinance](#)
4. Governance Discussion: <https://gov.frax.finance>
5. Governance Voting: [Snapshot](#)
6. Twitter - <https://twitter.com/fraxfinance>
7. Contracts date of deployments, number of transactions, number of holders for tokens

Supply: 22,425,936.51

Holders: 9,383

Transfers: 427,627

Please see the following post for more details: [\[ARFC\] Add FRAX to Aave V3 Ethereum](#)

Risk Analysis

Parameter

Value

Isolation Mode

Yes

Borrowable

Yes

Collateral Enabled

Yes

Supply Cap

7.5M

Borrow Cap

2.5M

LTV

67.00%

LT

74.00%

Liquidation Bonus

7.50%

Liquidation Protocol Fee

10.00%

Reserve Factor

15.00%

Variable Base

0.00%

Variable Slope 1

7.00%

Variable Slope 2

300.00%

Uoptimal

45.00%

Stable Borrowing

Disabled

Stable Slope 1

7.00%

Stable Slope 2

300.00%

Base Stable Rate Offset

2.00%

Stable Rate Excess Offset

5.00%

Optimal Stable to Total Debt Ratio

20.00%

Disclaimer

The information provided above about FRAX is from public sources and Flipside Crypto cannot guarantee that it is or will stay accurate.

FRAX has not compensated Flipside nor Token Logic to create this proposal and we are doing this because we believe that the listing would be in the best interest of the Aave.

This ARFC has been prepared solely to receive community feedback.

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