

## Status

Approved

## Proposal

This proposal is for the first iteration of AMM incentives to liquidity providers. This proposal is for the automated streaming of DYM tokens to liquidity providers of specified liquidity pools. The purpose of streaming DYM rewards to liquidity providers is to aggregate liquidity, reduce the slippage during trades, and thus creating the foundational liquidity layer for the Dymension ecosystem.

This proposal sets out to release 300,000 DYM from the incentive manager with tokens distributed linearly over one month from the passing of this proposal.

## Context

The incentive manager (i.e. x/streamer module) holds 330,000,000 DYM. These funds are earmarked for protocol incentives namely liquidity incentives, RollApp Credit Streams, and Rolldrop seasons. Technical features that enable the automatic disbursement of these assets will gradually be released.

The tiers are broken down into what is assumed to be the most active pairs with the largest sized trades (i.e. incurring greatest amount of slippage). During the first month of incentives, information on the trading activity will be gathered and will help determine future target TVL and the respective amount of DYM rewards.

Technical implementation of the AMM requires bonding a LP token (i.e. share) in a respective perpetual gauge (see below to learn more) to earn rewards in DYM. If a user wishes to unlock their LP token they must wait for one minute until their funds will be available.

Axelar and Wormhole integrations are currently work-in-progress and are expected to happen in the near future. However, to move forward with this incentive proposal these asset have for now been excluded from incentives as the pools haven't been created.

## Updated proposed distribution

Based on community input and for the betterment of the Dymension ecosystem the following incentive proposal will go onchain:

Pool ID

Base Asset

Quote Asset

Total DYM Rewards

Daily disbursement

002

DYM

USDC.noble

75,000

2500.00

003

DYM

TIA

50,000

1666.67

004

DYM

ATOM

50,000

1666.67

005

DYM

USDT.kava

50,000

1666.67

006

DYM

stTIA

50,000

1666.67

007

DYM

milkTIA

25,000

833.34

## References

- Learn more about incentive gauges in Dymension:

[Incentives | Dymension Docs](#)

- Portal - Governance
- Chaos Labs methodology of evaluating OSMO incentives: [Chaos Labs](#)

## Governance votes

The voting period for this proposal as set on genesis is 5 days beginning from the time of deposit. The following items summarize the voting options and what it means for this proposal:

- YES
- NO
- NO WITH VETO - A 'NoWithVeto' vote indicates a proposal either (1) is deemed to be spam, i.e., irrelevant to Dymension, (2) disproportionately infringes on minority interests, or (3) violates or encourages violation of the rules of engagement as currently set out by Dymension governance. If the number of 'NoWithVeto' votes is greater than a third of total votes, the proposal is rejected and the deposits are burned.
- ABSTAIN - You wish to contribute to quorum but you formally decline to vote either for or against the proposal.