Collateral Onboarding Governance Process

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1. Overview

Level: Intermediate

Estimated Time: 15 minutes

The aim of this guide is to provide the MakerDAO Community an overview of the governance processes involved in adding collateral types to the Maker Protocol.

1. Learning Objectives

2. Understand the collateral onboarding governance process from start to finish.

3. Learn how to coordinate the governance processes and communications necessary to onboard collateral to the Maker Protocol.

4.

1. Prerequisites

2. [Get Started With Governance](#)

3. [Governance FAQ](#)
4. [Introduction to the Maker Protocol](#)
5. [MIP6: Collateral Onboarding Application](#)
6. [MIP9: Community Greenlight (Governance Polls) Overview](#)
7. [Collateral Status Index spreadsheet](#)
8.

4. [Glossary](#)

1. MakerDAO Governance Roles

2. [Governance Facilitator](#)

3. :
4. The Governance Facilitator is tasked with ensuring the smooth operation of the governance process. This involves a wide range of activities, from general administration and signal-gathering to governance scheduling.
5. [MIP Editor](#)
6. :
7. The MIP Editor enforces the administrative and editorial aspects of the overall MIPs process and framework.
8.

1. Governance Process for Onboarding a Collateral Type to the Maker Protocol

An 11-step process must be followed to onboard a collateral type to the Maker Protocol:

1. Read[MIP6](#)
2. which defines the Collateral Onboarding Application and[MIP67](#)
3. for Real World Assets cases.
4. For Crypto native collateral, such as ERC20 tokens, complete the[Collateral Onboarding Application](#)
5. , and then[publish it to the MakerDAO Forum](#)
6. (follow[this example](#)
7.), where it will remain open for discussion for two weeks. It is highly recommended that projects applying review the[MIP6 Recommended Guideline Metrics for Onchain Collateral Onboarding](#)
8. and make sure the collateral satisfies such guidelines before submitting.

9. For Real World Assets (RWA), both [MIP6](#)
10. and [MIP67](#)
11. should be filled out and it is highly recommended to engage with the [Real World Finance Core Unit](#)
12. (RWF CU) in order to prepare a good quality application.
13. Answer questions posed by the MakerDAO community. While not a requirement, your responses can help generate support or excitement for your proposed collateral type. You might also choose to organize a [collateral onboarding call](#)
14. to further pitch the proposal and spur more community discussion.
15.

16. After the two-week discussion period, the proposal is eligible for a Community Greenlight Poll (defined in [MIP9](#)).

17. Community Greenlight Polls are on-chain polls used to measure the governance community's sentiment toward a proposed collateral type. Poll results are used to help inform the Domain Teams as they prioritize collateral types to onboard. See [this example](#)

18. .
19. The [Community Greenlight Polls](#)
20. occur at fixed times each governance cycle, starting on the 1st and 3rd Mondays of the month and running for a period of 2 full weeks.
21.

22. All proposed collateral types that go through the Community Greenlight Polls are added to the [Collateral Status Index spreadsheet](#) and the [Collateral Onboarding Prioritization Framework spreadsheet](#) by the Governance Facilitator and/or Collateral Onboarding Domain Teams.

23. The Domain Teams use the Collateral Onboarding Prioritization Framework to help determine the order in which they write their domain collateral assessments and publish them to the Maker Forum. Here are three examples of Domain Team Collateral Assessments, each for the BAL collateral type:

24. [Risk Evaluation](#)

25. [Oracles Assessment](#)
26. [Smart Contracts Technical Assessment](#)
27.

28. On the Monday after Domain Teams have published their collateral assessments to the Forum, a Governance Poll begins. The poll measures the sentiment of MKR holders regarding the assessments. The cut-off day for queuing up a collateral onboarding Governance Poll is the Friday prior.

29. Example of a Collateral Onboarding Governance Poll: [Add BAL as a Collateral Type - October 12, 2020](#)

30.

31. During the polling period, the collateral onboarding Domain Team work may continue at the discretion of the Domain Teams. For example, oracle solutions and smart contracts might be tested or completed.

32. If the Governance poll passes, an Executive Vote is scheduled to be held within 30 days, absent external factors. The time frame provides Domain Teams the flexibility to complete their work and testing to securely onboard the collateral type(s). If the Governance Poll doesn't pass, the collateral may be resubmitted for a future poll. In general, governance polls for collateral onboarding may be resubmitted up to two more times before not being eligible for resubmission. However, it is recommended that the community first investigates why the governance poll failed the first time around before proceeding with the resubmission.

33. The Executive Vote text is written by Governance Facilitator, and the Executive Spell is prepared by the Smart Contracts Domain Team.

34. [Example of Executive Vote Text](#)

35. [Example of Executive Spell](#)
36.

37. If the Executive Vote passes, the collateral asset will be added to the Maker Protocol. If it doesn't pass the collateral type has officially been rejected from being added to the Maker Protocol. As mentioned in step 9, governance polls for collateral onboarding may be resubmitted up to two times before not being eligible for resubmission. If a resubmitted governance poll passes, it will proceed to an Executive Vote once again.

7. [Resources](#)

Was this helpful?