Simple summary

Proposal for the approval of an interim distribution of 300'000 stable-coins from the Aave Collector to allow partial withdrawals by aAMPL suppliers to Aave v2 Ethereum, consequence of the problem detected end 2023.

Additionally, this proposal will include technical updates on the AMPL reserve to better settle accounting for this distribution.

Motivation

On December 2023, a problem was detected on the AMPL custom reserve on Aave v2 Ethereum, causing an unexpected inflation of AMPL-related balances and supply, not following the intended design by the Ampleforth team.

While further analysis is performed for the most reasonable strategy on giving withdrawal liquidity for aAMPL supplies, an interim distribution of 300'000 USD value is proposed as lower threshold, to allow aAMPL suppliers to proceed partially with their withdrawals.

Also, as follow-up of previous AIPs, this proposal will include extra steps of not create problems accounting wise.

Important to read the full context on AMPL problem on Aave v2 Ethereum.

Specification

The specific technical details will be defined at AIP stage once this ARFC will be approved, but high-level the payload will contain the following:

- Activation of a USDC/USDT distribution on AaveMerkleDistributor contract used in the past for the Rescue Mission of assets that users mistakenly sent to Aave contracts. The claims of each account will be defined as the percentage of the aAMPL total supply each one holds.

- Release of the 300'000 USD to the AaveMerkleDistributor.

- Update on the Aave v3 Ethereum pool for any kind of technical update (exclusively affecting the AMPL reserve) deemed necessary by technical service providers of the DAO.

Disclaimer

BGD Labs is presenting this proposal within its engagement for technical services with the Aave DAO. Execution of it will depend exclusively on the decentralised Aave governance approving.

Next Steps

1. After one day, create a Snapshot vote, in parallel with preparing the final technical details of the AIP.

2. If the Snapshot outcome is YES, escalate to on-chain AIP stage.

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