

[Link to snapshot](#)

Following the discussion in the [RFC](#), we've integrated some of the feedback from the community in this updated version of the proposal by making clarifications to the proposal text.

Notably, we have not changed the valuation. We believe the proposed valuation is fair given the cost involved in executing such an arrangement (e.g. the tax and legal overhead), our unique ability to contribute to Uniswap protocol, the growth potential for Starknet and the early success of Ekubo. This temperature check will serve to validate the proposed valuation, but should it fail we will not be resubmitting with a lower valuation.

Summary

[Ekubo Protocol](#) is an AMM on Starknet with a singleton design, super-concentrated liquidity and support for extensions. The protocol is written in the Cairo language to take full advantage of Starknet's architecture and reuses much of the same design philosophy as Uniswap V4. Since launch, Ekubo protocol has won approximately 75% of total volume traded on Starknet with only 5% of the TVL and no swapping interface.

Ekubo proposes a partnership with the Uniswap DAO in the form of \$12MM contribution in UNI in exchange for a 20% share of a future Ekubo protocol governance token. As a result, the Uniswap DAO becomes a significant stakeholder in Ekubo protocol and vice versa. This alignment enables the development teams of Uniswap and Ekubo to collaborate. We at Ekubo, Inc. believe this is an important step in the decentralization of protocol development, effectively onboarding the Ekubo team as a contributor to Uniswap protocol.

Background

My name is Moody Salem ([Twitter](#), [GitHub](#)), and I am the founder of Ekubo, Inc., the company developing Ekubo Protocol. Before starting the company, I was an engineer lead and Advisor on the Uniswap Labs team. I joined the Uniswap Labs in April 2020 as the 5th employee. As an engineer at Uniswap, I wrote much of the early Uniswap interface, created token lists, wrote the first swap routing algorithm for V2 and V3, committed about half of the V3 code, and finally led the design of V4.

In May 2022 I became an Advisor to Uniswap Labs and 1 year later I left the advisor role. I began working on an AMM for Starknet because I believe in Starkware's technical vision: a ZK rollup optimized for throughput rather than EVM compatibility. I deployed the first version of Ekubo protocol 3 months after starting work on it. Since [AVNU](#)'s integration on September 14th and [Fibrous](#)'s integration shortly after, Ekubo has facilitated the majority of volume traded on Starknet entirely via the aggregators. Ekubo, Inc. has also partnered with the largest wallet on Starknet, Argent, in order to bring capital efficient market making to more users.

We believe Starknet with its rapidly improving programming language and infrastructure will soon be one of the most active L2s on Ethereum. Because it does not focus on compatibility with the EVM, it includes innovations such as account abstraction and, soon, volition that have the potential to greatly improve the UX of interacting with the blockchain and simplify onboarding for the next wave of users. If Starkware delivers on their vision, UNI holders need to have a stake in this market.

Budget

The purpose of the UNI is to continue the operation of Ekubo, Inc. for development and growth of Ekubo protocol, as well as collaboration and contribution to Uniswap protocol. The expenses include primarily engineering, audits, and legal support.

We believe this amount of UNI gives Ekubo the runway to grow Ekubo protocol into a sustainable product, meaning the revenue earned by the protocol is enough to maintain its position as the best place to trade on Starknet. It also gives Ekubo, Inc the capacity to contribute our improvements to Uniswap protocol, and collaborate with other Uniswap protocol contributors.

Much of the work will be to deliver public goods to the Starknet ecosystem, including standard token, governance, and incentives contracts written in Cairo, all of which are necessary to scale Starknet to the same level of usage as competing L2s. Other work will include delivering novel features to the AMM market by developing extensions, which for the most part can be reimplemented as V4 hooks.

Because this is an investment of liquid tokens in exchange for liquid tokens, the UNI will be spent at the discretion of Ekubo, Inc for operations, research and development, with the purpose of growing Ekubo protocol usage. The Ekubo tokens delivered to the DAO may also be spent or redistributed as the DAO wishes. We will deliver biannual reports of our progress to the Uniswap community via the forum.

Technical details

In order to fractionalize ownership of the protocol, we will deploy a set of governance contracts on Starknet including a token representing voting rights on Ekubo protocol within 1 month of this proposal passing. The Uniswap DAO will receive 20% of this token, which it can delegate or redistribute however it decides. The remaining 80% will be controlled by Ekubo, Inc. Any

further distribution of the 80% of tokens held by the company will be determined on a future date solely by Ekubo, Inc.

As with Ekubo protocol, the token will be native to the Starknet L2. We will create a proxy on Starknet to hold the tokens on behalf of the Uniswap DAO to be transferred or delegated as the DAO pleases.

Sharing of intellectual property

The proposal will also update the Uniswap V4 license to include a grant to Ekubo, Inc. for unlimited use on the Starknet network. This grant mitigates any issues pertaining to the sharing of code from Ekubo, Inc. to the Uniswap community. Ekubo, Inc. employees will also sign a standard contributor license agreement before contributing to the Uniswap V4 protocol.

Allowing Ekubo, Inc to participate in governance

In addition to the UNI, the proposal includes a delegation of 2.5M UNI to a multisig controlled by Ekubo, Inc., using the [Franchiser contract](#), so that Ekubo, Inc. can meaningfully participate in governance by creating future proposals even if it must sell UNI to fund operations.

Links

- [RFC](#)
- [Ekubo home](#)
- [Docs page](#)
- [Starknet](#)
- [Starknet vision](#)
- [Starknet vision](#)
- Dashboards:
- [app.ekubo.org](#)
- [Flipside: Ekubo](#)
- [Flipside: AVNU](#)
- [Flipside: Fibrous](#)
- [DefiLlama](#)
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