Project name:

Socket

Author name and contact info:

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I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant:

Yes

L2 recipient address

0x803CE4f6A0e064a01C56f7Ca21223a7b65e4b869

Which Voting Cycle are you applying for?

Phase 1, Cycle 8

Grant category:

Governance Fund, Phase 1

Is this proposal applicable to a specific committee?

Tooling

Project description:

Socket is an interoperability protocol for secure & efficient data and asset transfers across chains. Apps can simply plug in Socket in their apps to get access to liquidity & state of all chains. Asset transfers are live today, with data transfers launching soon.

How Asset Transfers Work:

We aggregate all bridges & DEXs across chains for efficient asset transfers. The result is ultra-efficient cross chain swaps powered by an advanced routing mechanism that dynamically selects the best bridge/route & optimizes for developer preferences like cost, latency or security.

Top wallets, DeFi & portfolio management apps like Zerion, Zapper, Synthetix & Lyra use Socket for a seamless bridging experience in their apps. Some places to try out Socket asset transfers in action:

- Bungee (Single txn): https://www.bungee.exchange/ 3
- Bungee (Multi txn): https://multitx.bungee.exchange/ 2
- Zapper: https://zapper.fi/bridge 1
- Zerion: https://app.zerion.io/bridge

Project Links

- Website: https://socket.tech/ 6
- Docs: https://docs.socket.tech/
- Twitter: https://twitter.com/SocketDotTech

Additional team member info

The Socket team includes super coders with deep engineering & research experience; and seasoned business operators. Some of our team members:

- Vaibhav Chellani 1 (Cofounder & CEO): First developer at Polygon; built first ever zkRollup & most scalable Optimistic rollup; Early core contributor at Flashbots.
- Rishabh Khurana 1 (Cofounder): 4+yrs of experience launching web2 products (scaled one from 0 to $40mn ARR at India's first Unicorn).

- [Arth Patel 1](#) (Head of Engineering): Early developer at Polygon, built Polygon PoS bridge, ex-developer at Union Protcol, advisor & fren to DeFi projects

- Varun Bhalla (Product Manager): ex-founder. Last startup had $10mn+ ARR before it got acquired

Please link to any previous projects the team has meaningfully contributed to

Our team has prior contributions across Polygon, Flashbots, Ethereum Foundation, Union Protocol, Index Coop, UMA, Harvest Finance, dOrg & other projects.

Relevant usage metrics:

- Total Volume Processed: $683mn

- Total Txns Processed: 529k

- Volume Onboarded to Optimism: $189mn

- Wallets Onboarded to Optimism: 51k

- 30+ Projects Leverage Socket for a Smoother Bridging Experience. Projects on Optimism include:

- Synthetix Ecosystem: Synthetix, dHedge & Polynomial

- Web3 exploration app Zapper & Smart, Social Wallet Zerion

- DeFi dApps: Rubicon, Premia & Brahma Fi

- Wallets & Portfolio Mgmt Apps: One Key, Plasma Finance, Choise, Ambire Wallet, Sequence Wallet & imToken

- SoonTM- biggest Optimism dApps, wallets & portfolio management apps

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Is/will this project be open sourced?

All our contracts are openly available & verified on Etherscan. Our Optimism contract addresses can be viewed [here 3](#)

Competitors, peers, or similar projects

Our peers are all bridging projects/protocols. Some of them include Across, Hop, Stargate, Synapse, Celer, Multichain, [Li.Fi](#) & Rango Exchange.

Optimism native?

No (as a bridging provider, we're deployed on 9 chains as of today)

Date of deployment/expected deployment on Optimism:

Dec 2021

Ecosystem Value Proposition

What is the problem statement this proposal hopes to solve for the Optimism ecosystem?

We share the Optimism Foundation's vision that the next billion users should be empowered to experience web3 through the security of L2s. We're working towards solving one of the key pieces to enable this- seamless user onboarding.

Here's a quick example of what an Avalanche user with AVAX, who wants to stake sETH on Synthetix on Optimism needed to go through:

1. Leave Synthetix app to find the most cost-effective bridge from Avalanche to Optimism

2. Swap AVAX into USDC/some bridge supported token (fee)

3. Bridge to Optimism (fee)

4. Get ETH from CEXs/Optimism Gateway

5. Swap to sETH (fee)

This is a ton of friction! For users & liquidity to migrate into Optimism at scale, this experience needs to be a lot simpler & affordable.

How does your proposal offer a value proposition solving the above problem?

There are 2 major problems for users as seen in the above example:

- High onboarding cost for user

- The friction associated with the whole onboarding journey filled with multiple steps (above process requires 20+ steps/clicks)

Socket will use the allocated $OP tokens to solve both these problems for users by using the allocated tokens to:

- Reduce the net cost for users to onboard to Optimism

- Encourage app developers to provide a smoother in-app onboarding experience such that users on other chains can migrate their liquidity to Optimism & start using their app.

This would mean an amazing experience for users which allows them to come from any chain, get any token they want, along with GAS (oETH) to start transacting on Optimism easily & quickly! Here are some ways apps on Optimism are already leveraging Socket to make this happen:

- DeFi projects like Synthetix, Premia & dHedge use Socket to allow users to come from different chains and start transacting on their apps easily

- Web3 exploration apps like Zapper, social wallets like Zerion & more allow users to bridge over (via Socket) & participate in the Optimism ecosystem easily

- Polynomial, Brahma Fi & more are powering the next generation of multichain apps to get liquidity on Optimism with Socket:

- Polynomial is introducing chain-agnostic deposits into its vaults powered by Socket

- Brahma provides multichain yield with Socket. Deposit into Brahma vaults on any chain, & Brahma earns yield for you on Optimism!

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Why will this solution be a source of growth for the Optimism ecosystem?

The objective of the token distribution is to supercharge our existing efforts of liquidity migration and user onboarding into Optimism. The token distribution eliminates one of the biggest problems hindering user onboarding & protocol adoption to create an accessible & prosperous Optimism ecosystem.

Has your project previously applied for an OP grant?

No

Did the project apply for or receive OP tokens through the Foundation Partner Fund?

No

Number of OP tokens requested:

500,000

How much will your project match in co-incentives?

Socket doesn't have a token and hence can't match with token co-incentives. However, we plan to allocate significant marketing efforts & resources with our partners to attract users & liquidity. To achieve these we will be conducting marketing campaigns, tutorials, guides & more!

We also plan to allocate significant developer efforts & resources to help our partners build great onboarding experiences,

or truly multichain apps, along with 24*7 user & developer support.

Lastly, we will continue to educate users & community about bridging with things like bridge risk framework 1, which we launched in collaboration with L2Beats.

Proposal for token distribution

How will the OP tokens be distributed?

$OP tokens will be distributed to developers building on Optimism & users bridging to Optimism using Socket

Users (60%)

Every user that onboards to Optimism via Socket (from partner apps) will have 90% of their total onboarding fees refunded in $OP. Total onboarding fee includes the total GAS spent + the bridging fee from the underlying bridges

Note:

We plan to keep a max cap per user per transaction & minimum bridging amount

Builders (40%)

We put a strong focus on incentivizing builders on Optimism to encourage great onboarding experiences & migration of liquidity into Optimism. We propose the following allocation strategies for builders leveraging Socket to onboard users onto Optimism:

- Developers who integrate Socket as a part of their UX (20%)

: Teams that integrate Socket as a part of their user experience using our APIs/SDK/Plugin would receive $OP over 6 months pro-rata based on the nominal USD value that their integration has transferred to Optimism.

- Grants (20%)

: Teams building dApps with Socket that makes onboarding & using Optimism easier by building capabilities that allow users on other chains to directly interact with/migrate liquidity into Optimism based dApps with one-click UX. We aim to provide micro-grants to assist 4-5 teams that aim to create massive impact for Optimism and will also keep the governance community updated on the disbursement in periodic reports. Examples include: * Chain Agnostic Deposits: Allow users to deposit into vaults native to Optimism, from any chain & with any token

- Uniswap LP Migration: Allow users to migrate their LP position on Ethereum to LP position on Optimism in 1 click

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Note

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Bungee is an app built on Socket, by the Socket team. Hence, Bungee developers (Socket Team) will not be applicable for the developer rewards

Over what period of time will the tokens be distributed for each initiative?

Overall, we expect the distribution will take 3-5 months. It will vary based on the price of $OP & other factors such as gas markets on various supported networks, prices of native tokens of supported networks & developer adoption.

Please list the milestones/KPIs you expect to achieve for each initiative, considering how each relates to incentivizing sustainable usage and liquidity on Optimism. Please keep in mind that progress towards these milestones/KPIs should be trackable.

Key KPIs:

- Number of wallets onboarded onto Optimism

- Liquidity onboarded into Optimism

Why will incentivized users and liquidity on Optimism remain after incentives dry up?

The incentives will help bring users to onboard to Optimism & start using their favourite apps easily. Once users get a taste of Optimism, they will want to stay for cheap & fast transactions, seamless user experience & the rich ecosystem of dapps.

Please provide any additional information that will facilitate accountability:(smart contracts addresses relevant to the

proposal, relevant organizational wallet addresses, etc.)

All smart contract addresses are available in our docs[here](here)