

We propose a partnership between AAVE and Deri Protocol and a “B2B” (wholesale) business model to AAVE. This new business model could become a strategic TVL source for AAVE in the future. We plan to deploy Deri Protocol V3 on a series of networks and adopt AAVE as the capital custodian to achieve superior capital efficiency. This will be a representative case of the lego game of DeFi 2.0.

Specifically, capital involved in Deri’s derivative trading (futures/options/powers) will be deposited into AAVE. Such capital will stay in AAVE until an LP unstakes his/her liquidity from Deri or a trader withdraws from his/her margin account. An analogy with traditional finance is how a bank plays the role of “custodian” for trading business: when a trader deposits capital for spot/derivative trading into his/her account with the brokerage, the capital will be held in a bank (the custodian). In other words, we want AAVE to be that “custodian bank” for our trading business.

This partnership could be a strategic liquidity source for AAVE as it adds a B2B (wholesale) business to your existing business model. That is, for many other DeFi (or GameFi, etc.) applications involving users depositing capital, the capital could be stored in AAVE (instead of their own liquidity pools). With the AAVE-Deri partnership as a proof-of-case, you can easily expand this B2B business to other DeFi apps by persuading them to adopt AAVE’s liquidity pool instead of their own. This is like the wholesale banking v.s. retail banking in traditional finance.

There is no development work needed on AAVE’s end for this matter. The AAVE smart contract will be used as-is. Nevertheless, we are looking for cooperation in this partnership. We might need some technical support during our development. Also, we would like to do mutual marketing promotion.

Regarding Deri Protocol:

Deri Protocol is the DeFi way to trade derivatives: to hedge, to speculate, to arbitrage, all on-chain. With Deri Protocol, trades are executed under AMM paradigm and positions are tokenized as NFTs, highly composable with other DeFi projects. Currently, Deri Protocol supports perpetual futures, everlasting options, and power perpetuals.

More information about Deri Protocol’s adoption of “external custody” can be found in Deri V3 whitepaper:

[github.com](https://github.com)

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]([https://github.com/deri-finance/whitepaper/blob/master/deri\\_v3\\_whitepaper.pdf](https://github.com/deri-finance/whitepaper/blob/master/deri_v3_whitepaper.pdf))

[\*\*deri\\_v3\\_whitepaper.pdf\*\*](#)

More details of Deri Protocol can be found at:

Website: <https://deri.io>

Docs: <https://docs.deri.io>

Github: [deri-finance \(deri.io\) · GitHub](#)