

Proposal

Connex (connex.network) is a network for fast, trustless communication between chains

and rollups. It is the only interoperability system of its type that does this cheaply and quickly without introducing any new trust assumptions

. Connex is aimed at developers who are looking to build bridges and other natively cross-chain applications. To date, over \$1.3b in transactions have crossed the network.

Our network of liquidity providers only works with native assets, or the most canonical representation of a wrapped asset.

With our Amarak upgrade (<https://blog.connex.network/announcing-the-amarok-network-upgrade-5046317860a4>), a series of improvements are coming for users, developers and liquidity providers: the latest will be tasked with providing capital upfront to the users

, while getting refunded within 30 minutes when the slower confirmation, coming from the Optimistic bridge

(<https://blog.connex.network/optimistic-bridges-fb800dc7b0e0>) Nomad

, is completed.

Users' transactions get confirmed in seconds, LPs get rewarded with a fee on the transaction for their service.

Portals are therefore a perfect match for Connex

as our LPs will need and want to access immediate extra liquidity to fulfill transactions, and our new architecture allows for this operation to be completed via the protocol in a trust minimized way.

Connex would like to request a credit line for USDC, USDT and ETH on multiple chains.

Technical Specifications

Connex

is

much more than a bridge, it's an interoperability protocol

: it allows to build cross chain applications without adding trust assumptions.

One of these applications are bridges, others could be cross chain NFTs marketplaces or cross chain governance portals.

51 routers are currently providing \$40m+ of liquidity.

The highly capital efficient architecture of Connex allows for higher volume (and therefore higher returns) with less capital compared to other solutions in the space.

The system is currently working on a whitelist basis. Once the [NEXT token](#) is live, the whole network will be permissionless.

How does it work?

This is an overview of the Amarak architecture that is currently on testnet and planned to go live in a few weeks:

The new flow heavily utilizes Nomad (and eventually other localized messaging layers) for its security model. Routers front capital and execute calls for a user's transaction, and claim against funds going through Nomad.

A full overview can be found here:

[Medium – 11 Apr 22](#)

[Announcing the Amarak Network Upgrade](#)

Bringing Connex to the Next Level

Reading time: 7 min read

This model fits with the Aave Portals. This is how the simplified architecture integrating Portals will look like - credits to Delphi Digital for the image.

Development progress deep dive: [<https://github.com/connex/nxtp/pull/1074>]

](https://github.com/connext/nxtp/pull/1074)The logic for the execute and reconcile methods for the Aave portals has been defined. We are currently verifying some edge cases.

- Is liquidity incentivized?
- Yes
- Yes
- Is there a fee model for participants?
- LPs currently take a 5bps fee from every transaction, plus a refund on the gas spent
- LPs currently take a 5bps fee from every transaction, plus a refund on the gas spent
- does the entity is or is planning to provide available liquidity into Aave protocol?
- TBD
- TBD
- Link to analytics dashboard of protocol
- <https://connextscan.io>
- <https://connextscan.io>
- If applicable, link to the user-focused dapp of the entity.
- [https://bridge.connex.network

](https://bridge.connex.network)

- [https://bridge.connex.network

](https://bridge.connex.network)

- Link to technical documentation
- https:// docs.connex.network
- https:// docs.connex.network

Proposed list Credit Line request

The credit lines are requested for the following networks where both Connex and Aave are already present.

Optimism, Arbitrum, Polygon, Avalanche, Fantom, Harmony

Network

Asset

Current Liquidity

Requested credit Line

Fee Model

Fee requested

All

USDC

\$22M

2M\$

fixed bps

0.5 bps

All

USDT

\$8M

1M\$

fixed bps

0.5 bps

All

ETH

1200 ETH

40 ETH

fixed bps

0.5 bps

Note: Liquidity providers are charging 5 bps to complete cross chain transactions.

All outstanding loans are repaid within 60 min (avg 30 min)

, effectively paying a high interest rate: $0.005\% / 60 \text{ min} \rightarrow 44\% \text{ APR}$

Incentives

A Liquidity Mining program might be approved by the DAO once the NEXT token goes live.

Audits & Security

- List of relevant security audits of the network
- NXTP Audit:

<https://consensys.net/diligence/audits/2021/07/connext-nxtp-noncustodial-xchain-transfer-protocol/>

- Amarok Audit will be published as soon as it's available
- NXTP Audit:

<https://consensys.net/diligence/audits/2021/07/connext-nxtp-noncustodial-xchain-transfer-protocol/>

- Amarok Audit will be published as soon as it's available
- Has the Entity experienced outages, downtime, or exploits/hacks? on which Networks?
- No
- No

Note: had to split some URLs for the link limitations on the forum.