

Note: This proposal will be sponsored by Wintermute Governance.

# Summary

The dYdX Operations Trust (DOT 2.0) is proposing the following:

1. An amendment to the dYdX Operations Trust Instrument that requires all Trustees to operate compliantly with all laws, regulations, and rules applicable to their duties and obligations as described in the Trust Instrument.
2. An amendment to the dYdX Operations Trust Instrument that updates the “PURPOSES” of the Trust to reflect the mandate approved by the community in this [Snapshot vote](#).

# Description

Hi Everyone,

Following the [successful Snapshot vote](#) to extend and fund the operations of the dYdX Operations Trust (DOT 2.0), the [original Trust Instrument](#) needs to be amended to reflect its purposes inline with the [mandate](#) approved by the community. Furthermore, after discussing with legal counsel it was recommended to add in a clause that requires all Trustees to operate in compliance with all laws, regulations, and rules applicable to their duties under the Trust Instrument.

Therefore we are proposing the following changes to the Trust Instrument - these changes have been drafted in coordination with our legal counsel ensuring their accordance with the community mandate and applicable Law.

The original Purposes section “Schedule 3” goes as follows:

## PURPOSES

“The Purposes of the Settlement are to:

1. receive funds from the dYdX Community, including Ethereum based tokens, and retain the same unless and until they are required to be converted to cash or equivalents and/or distributed for the remaining Purposes of this Settlement;
2. apply funds received from the dYdX Community to meet the ongoing operational costs and expenses, including (without limitation):
  1. fees for professional services, such as lawyer and accountancy fees; and
- 3.
4.
  1. costs for online service providers;
5. costs for online service providers;
6. manage administrative processes to support the Purposes listed at paragraphs 1 and 2 of this schedule 3, including (without limitation), opening and managing any one or more bank accounts in the names of the Trustees; and
7. do all other acts and things that may be incidental to, or desirable, to further the above Purposes as the Trustees may in their discretion think fit.”

We propose to replace it with this new version:

## PURPOSES

“The Purposes of the Settlement are to:

1. receive funds from the dYdX Community, including Ethereum based tokens, and retain the same unless and until they are required to be converted to cash or equivalents and/or distributed for the remaining Purposes of this Settlement;

1. deploy and operate the following for the mainnet deployment of the dYdX V4 open-source software (the dYdX Chain):

- (a) a website user interface;
- (b) an Android application; and
- (c) an IOS application;

1. identify and contract:

(d) an indexer operator for the dYdX Chain;

(e) a user support team to support the dYdX Community with any issues or enquiries related to the dYdX Chain;

1. apply funds received from the dYdX Community to meet ongoing operational costs and expenses, including (without limitation):

(f) fees for professional services, such as lawyer and accountancy fees; and

(g) costs for online service providers;

1. manage administrative processes to support the Purposes listed above, including (without limitation), opening and managing any one or more bank accounts in the names of the Trustees; and

1. do all other acts and things that may be incidental to, or desirable, to further the above Purposes as the Trustees may in their discretion think fit.”

In addition to the above mentioned change we also propose a further amendment to the Trust Instrument, stating the Trustees duty to act lawfully at all times explicitly. This was only implied in the original Trust Instrument. This clarification avoids any possible doubt on the necessity of the Trustees to abide by the applicable law when acting as Trustees. The proposed change is to:

Replacing the current section 9.1:

“9.1 The Trustees shall exercise or refrain from exercising the powers and discretions vested in them as they shall in their absolute discretion think most expedient for the attainment of the Purposes.”

With:

“9.1 The Trustees shall execute and administer this Settlement and shall exercise their functions under it:

(a) in accordance with the provisions of the Proper Law of this Settlement and any other law applicable to the Trustees or the Settlement (as the case may be) from time to time, and in particular, each Trustee undertakes to:

(i) operate in compliance with all laws, rules and regulations applicable to their duties and obligations under this Settlement; and

(ii) maintain or cause to be maintained in force all licenses, permits, consents, authorisations and approvals required by any law, rule or regulation for the performance of their duties under this Settlement, including, in each case, with respect to any acts taken in the advancement of the Purposes (which shall, for the avoidance of doubt, include the formation, deployment, operation or administration of any user interface in furtherance of the Purposes); and

(b) subject to the provisions of the Proper Law of this Settlement –

(i) in accordance with the terms of this Settlement; and

(ii) only for the advancement of the Purposes.”

The full proposal drafted in collaboration with our legal counsel can be found [here](#).

## Implementation

As described in the [original Trust Instrument](#) this proposal requires consent from the dYdX Community in the form of a Snapshot vote.

If the Snapshot vote is successful, we will work with our legal counsel to ratify the proposed changes to the Trust Instrument.

## Next Steps

We'd love to hear from the community surrounding these changes. We are targeting a snapshot vote creation on 1st of September 2023 (subject to change).

The Snapshot vote will be a binary vote, with voting options:

- Yes - Implement the proposed changes
- No - Do nothing.

Thanks,

Trustees of the dYdX Operations Trust.