

Summary

We propose to authorize Uniswap Labs to deploy Uniswap protocol to Polygon PoS on behalf of the community.

We believe this is the right moment for Uniswap to deploy on Polygon, for several major reasons:

- Polygon PoS has the second strongest DeFi ecosystem, right after Ethereum L1;
- Deploying to Polygon PoS can bring a lot of benefits (user base growth, huge savings for users, higher user activity, higher revenue, market capture, return to the original DeFi vision etc);
- We are willing to incentivize Uniswap adoption, financially and otherwise;
- Polygon PoS is battle-tested;
- Polygon is aligned with Ethereum and its values.

We respectfully submit this proposal for your consideration, and we are looking forward to your questions and feedback.

About Polygon

Polygon is the leading platform for Ethereum scaling and infrastructure development. It is rapidly building a product suite that will offer developers easy access to all major scaling and infrastructure solutions:

- L2 solutions/Rollups ([Polygon Hermez](#), [Polygon Miden](#), [Polygon Nightfall](#));
- Sidechains, stand-alone and enterprise chains ([Polygon SDK](#));
- Hybrid solutions ([Polygon PoS](#));
- Data availability solutions ([Polygon Avail](#)) and more.

Polygon is by far the most adopted scaling effort in the Ethereum ecosystem, with 3,000+ applications hosted, 1B+ transactions processed, 100M+ unique user addresses and ~\$5B+ in assets secured.

Proposal

This is Polygon Team's proposal to authorize Uniswap Labs to deploy Uniswap protocol to Polygon PoS Chain on behalf of the community.

We believe this is the right moment for Uniswap to deploy on Polygon PoS, for many reasons. We will try to briefly outline the most important ones here.

1. Polygon PoS has the second strongest DeFi ecosystem, right after Ethereum L1

Polygon's DeFi ecosystem is experiencing a hockey-stick growth this year. During this period, Polygon PoS has become the preferred scaling solution for a huge number of various DeFi projects:

- Blue chip Ethereum L1 protocols, such as Aave, Curve, SushiSwap, Balancer, 0x/Matcha etc;
- Prominent Polygon-native projects, such as QuikSwap, Slingshot, Cometh etc;
- Hundreds of smaller DeFi projects (Polygon-native, coming from Ethereum or from other chains).

Besides the impressive number of deployed projects, additional strength of Polygon's DeFi ecosystem is that it is already self-sustainable. We effectively stopped all liquidity mining incentives some time ago, and yet we keep seeing [capital and user inflow](#) and [very high user retention](#).

We believe it would make a lot of sense for Uniswap to join such a vibrant and well-established ecosystem.

1. Deploying to Polygon PoS can bring a lot of benefits

DeFi projects that have so far deployed on Polygon PoS have experienced a number of significant benefits, some of which we will outline here.

- User base growth:

Many projects have significantly expanded their user base after deploying to Polygon PoS. Two notable examples: * Aave reached 700k+ active users on Polygon PoS, roughly [10x more than on Ethereum L1](#);

- PoolTogether reached ~4k active addresses, roughly [40x more than on Ethereum L1](#)!
- Aave reached 700k+ active users on Polygon PoS, roughly [10x more than on Ethereum L1](#);

- PoolTogether reached ~4k active addresses, roughly [40x more than on Ethereum L1!](#)
- Huge savings for users:

With transaction fees being on average 1,000x lower than on Ethereum L1, Polygon PoS enables projects to save millions of dollars to their users. Two data points that illustrate this well: * Aave users saved [~\\$42M+ in five months](#);

- SushiSwap saved its users [~\\$3M in one single week](#)
- Aave users saved [~\\$42M+ in five months](#);
- SushiSwap saved its users [~\\$3M in one single week](#)
- Higher user activity:

Low fees are subsequently encouraging users to interact more with the project; this is the case with almost every Ethereum L1 protocol that got deployed on Polygon PoS. Aave is a notable example here as well; their user activity increased [~16x compared to L1!](#)

- Higher revenue:

Projects coming from Ethereum L1 are often seeing higher revenue for their liquidity providers and governance DAOs. The reason is twofold: * Liquidity mining incentives (offered directly by Polygon or Polygon ecosystem projects);

- Aforementioned higher user activity.
- Liquidity mining incentives (offered directly by Polygon or Polygon ecosystem projects);
- Aforementioned higher user activity.
- Market capture:

Polygon PoS is at this point a very attractive and lucrative market to try to capture and capitalize from, likely right after Ethereum L1. Any major DeFi project that decides not to deploy on Polygon is obviously missing out on this opportunity and leaving a void that will certainly be filled by competitors.

- Return to the original DeFi vision:

As mentioned above, projects coming from Ethereum L1 normally significantly expand their user base. These new users are mainly people who were “priced out” from L1, i.e. unable to use these protocols because of high transaction fees. DeFi is envisioned as an open, inclusive financial system, so deploying to Polygon (and other scaling solutions) can be considered as returning to this original vision.

1. We are willing to incentivize Uniswap adoption, financially and otherwise

We are proud of the DeFi ecosystem that has been established on Polygon PoS, but we still consider it in a way incomplete without Uniswap. Uniswap is a flagship DeFi project and we are willing to make a special effort to bring it and help it succeed on Polygon.

3.1. Financial incentives

We could consider allocating a significant amount of capital from our treasury to incentivize liquidity. As mentioned above, we generally do not provide liquidity incentives anymore but, given the respect and importance we assign to Uniswap, we can make an exception in this case.

Specifically, we would be willing to commit up to \$20M for this purpose, and we propose to use these funds in the following way:

- Up to \$15M for a long-term liquidity mining campaign;
- Up to \$5M for a special purpose DAO, focused on the overall adoption of Uniswap on Polygon.

This amount, as well as the proposed use of funds do not have to be final; we are willing to discuss and work with the Uniswap team and community in order to finalize them.

3.2. Non-financial incentives

We can employ a number of non-financial activities to help Uniswap on Polygon grow. Some of the things we could do:

- Actively participate in the design and execution of liquidity mining campaigns;
- Work with prominent projects in our DeFi ecosystem to help them understand the benefits of using Uniswap V3 as a “money lego”, i.e. important component of their protocol;

- Promote Uniswap as a “money lego” on hackathons and other developer-focused events and efforts etc.
- Polygon PoS is battle-tested

Uniswap is a project with a stellar reputation and huge user base and TVL. Having that in mind, the reliability of any chain/solution that it might get deployed on should be seriously considered.

Polygon PoS is the only scaling solution that has been successfully running in production for more than one year, with high amounts of value locked and high levels of user activity. It has so far produced [21M+ blocks](#) without any major incident, passed multiple security audits and is being actively monitored, maintained and improved.

Polygon PoS has a decentralized validator set, fully implemented on Ethereum and with [~\\$3B at stake](#). The same validator set, i.e. the same stake secures the PoS bridge as well, which makes it exceptionally secure compared to bridges to other EVM-based chains (these are normally operated by a small set of authorities with no stake whatsoever).

1. Polygon is aligned with Ethereum and its values

Uniswap is a leading Ethereum project and it is largely aligned with the values and ethos promoted within the Ethereum ecosystem. Because of this, we believe Ethereum-alignment should be another important factor to consider when deployment to another chain/solution is being discussed.

We consider Polygon an integral part of the Ethereum ecosystem and we believe we are following and promoting the same set of values as the wider Ethereum community. Our grand vision is to improve Ethereum infrastructure and help it reach mass adoption, and we are committing all our available resources to this goal. One of the notable mentions in this regard is our [\\$1B fund](#) for ZK-based scaling solutions and infrastructure, which has already resulted in three ZK-based projects (Polygon Hermez, Polygon Miden and Polygon Nightfall) that are now being actively developed under the Polygon umbrella. We are also increasingly making contributions to the wider Ethereum ecosystem, such as the recent [\\$1M donation](#) to Bitcoin.

Conclusion

For all the reasons explained above, we believe the synergies between the two projects are obvious and it makes a lot of sense for the Uniswap community to support deployment to Polygon.

We have been aware of a significant level of interest from major Uniswap stakeholders (prominent community members, UNI holders, Uniswap team members etc) to make this deployment happen for some time already. One example is [this post](#) by [@allo](#) that received a lot of interest and support. However, we decided not to be involved until now because we wanted to make sure we feel very confident about this proposal. Essentially, we wanted to be sure this deployment is an obvious win-win and as such should be a non-controversial decision. We strongly believe that should be the case now, and we respectfully submit this proposal for your consideration.

We are looking forward to your questions and feedback.