

# Uniswap Foundation: Preamble

Uniswap has already changed the world.

In only 3 years, the world's first automated market maker has pioneered DeFi primitives, supported more than [\\$1T](#) in cumulative volume, and served [millions of users](#) worldwide. Its daily volume today is [on par with Coinbase](#).

Ownership of the protocol was [transferred to the community](#) in 2020 and since then the Uniswap Grants Program (UGP) has demonstrated the potential for community-funded initiatives to make a positive impact. Over 1.5 years, UGP [has funded 120+ grantees](#) improving governance, and developing new interfaces and developer tooling.

However, there is still work to do to help Uniswap reach its full potential. The governance process has too much friction, the ecosystem is too difficult to navigate, and UGP in its current form is not able to fund the most ambitious and impactful projects.

We want to change that.

Today, we are excited to propose the creation of the Uniswap Foundation

, which has the mission to support the decentralized growth and sustainability of the Uniswap Protocol and its supporting ecosystem and community.

In other words, the goal of the Uniswap Foundation is to support you

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Uniswap's community is expansive, encompassing the universe of individuals and organizations which build on and benefit from decentralized protocols. Your contributions have already made Uniswap a success, but we want to help you accomplish much more.

The Uniswap Foundation (UF) will provide grants to builders, researchers, organizers, academics, analysts, and more to grow the Protocol and plan for its future.

It will make it easier to govern the protocol and community treasury, and to navigate the broader ecosystem.

It will help you make an impact – to reduce friction, and amplify your efforts.

We believe that Uniswap will be the value exchange layer of the Internet.

It brought the automated market maker to the masses.

It has led the way in the evolution and growth of DeFi and web3.

It is censorship resistant, permissionless, decentralized, and secure – constituting a set of properties which we believe should define our world's financial infrastructure.

But there is still a long way to go for Uniswap to reach its full potential.

We're excited to work with all of you to make that happen.

If you're excited too, please read our proposal, comment, reach out to chat (our DMs [@devinawalsh](#) and [@nkennethk](#) are open!), and spread the word.

## Uniswap Foundation Proposal

This proposal is being put forth by the Uniswap Foundation, a Delaware corporation formed by Uniswap community members [Devin Walsh](#) and [Ken Ng](#) to facilitate the steps outlined in this proposal.

### TL;DR

- Today, we are thrilled to propose the creation of the Uniswap Foundation (UF)

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- Scope:

The UF, the first Foundation of a major protocol to go through the community governance process, will support the Protocol's decentralized growth, reinvigorate governance, and serve as a Protocol advocate.

- Team:

Devin Walsh will serve as the Executive Director, Ken Ng will serve as Head of Operations, and they will build out a team of 12.

- Budget:

To fund these efforts, we are requesting: \* A \$14M

Operating budget to cover a full team for 3 years

- A \$60M

expanded Uniswap Grants Program (UGP) budget to cover 3+ years

- We are requesting \$74M

total, which will be broken into two disbursements, with a first disbursement of \$20M

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- Governance Participation:

We are also requesting 2.5M UNI

to participate in governance, primarily through delegation. Through usage of a new smart contract primitive [The Franchiser](#), this UNI will be revocable by the DAO at any time, and cannot be used for any purpose outside of governance.

# Uniswap Foundation

## Mission

In pursuit of a more open and fair financial system, the Uniswap Foundation supports the decentralized growth and sustainability of the Uniswap Protocol and its supporting ecosystem.

## Key Activities and OKRs

We have listed our starting OKRs below. It's possible these OKRs will have to change in the future. If they do change in a meaningful way, we will communicate that to the community.

Growth:

Promoting Decentralization & Growth of the Protocol and Ecosystem

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OKR 1

1298×840 94.6 KB

](https://global.discourse-cdn.com/business6/uploads/uniswap1/original/2X/6/619bc0745412b267da6d9b54787fc42bbd325493.png)

Governance:

Reinvigorating the Uniswap Community Governance Process

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OKR 2

1282×342 36.5 KB

](https://global.discourse-cdn.com/business6/uploads/uniswap1/original/2X/c/c8b88b9477f9c2c81ab5457cca4e9552781b3bf6.png)

Advocacy:

Advocating for the Protocol and amplifying its positive social impact

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OKR 3

1306×328 52.9 KB

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Optimism Phase 0 token distribution link [here](#)

## Year 1 Roadmap

Our roadmap for the first year of operations includes but is not limited to the following activities:

[

Year 1

646×825 252 KB

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Optimism Collective community Constitution link [here](#)

## Team

[Devin Walsh](#), Executive Director (ED)

As ED, Devin will be responsible for setting UF's strategic vision alongside the Board and driving execution to achieve that vision.

Devin has been in crypto since 2016. She has conducted independent research for MIT's [Digital Currency Initiative](#), worked on decentralized identity at [uPort](#) (ConsenSys), and led protocol and venture investments at [CoinFund](#). She has consulted with [Edge & Node](#) and [cLabs](#), and led [MIRA](#), a seed stage startup at the intersection of fine art and NFTs. She recently resigned as Chief of Staff at Uniswap Labs in order to propose the creation of the UF.

[Ken Ng](#), Head of Operations

As Head of Operations, Ken will build and scale processes to maximize the UF's impact.

Ken has served the Uniswap ecosystem as Lead of the [Uniswap Grants Program](#) for the past 1.5 years. He has helped run the Ethereum Foundation [Ecosystem Support Program](#), which gave Hayden his [initial grant](#) to build Uniswap. He served as COO of [Slingshot Finance](#) and cofounder of his nonprofit [eduDAO](#), which helps raise funds for students and teachers in the Bronx.

The needs, and thus the makeup, of our team may change over time. However, today we aim to hire for following roles, with a focus on filling the Grants and Governance roles first:

Applications are open today! Check out job descriptions [here](#).

As noted by [Other Internet](#), there is also a need for new structures to “facilitate coordination across the complex web of stakeholders” within the Uniswap ecosystem. To provide this much needed coordination, the UF will be committed to working with a variety of independent parties (freelancers, development teams, research fellows, analysts, and more) to achieve many of its objectives.

## Advisors

The Foundation's initial advisory team will be made up of the following individuals:

1. [Jesse Walden](#), Founder and GP, [Variant](#)
2. [Julia Rosenberg](#), Co-Founder, [Orca Protocol](#)
3. [Alexis Gauba](#), Co-Founder, [Opyn](#); Co-Founder, [she256](#)
4. [Hart Lambur](#), Co-Founder of [UMA](#)

In addition to advising UF on strategy and roadmap, this group will, alongside the Executive Director (ED) and Head of Operations,

1. Provide input on UF's initial hiring decisions. This may include interviewing potential candidates and sharing feedback with the Committee as it determines its first hires, including its third Board member and at least next three team members.
2. Become temporary signers of the UF multi-sig, which will hold UF funds if and when the proposal is passed, for the sole purpose of executing approved proposals as instructed. This responsibility will be transitioned to UF team members once they are hired.

## Board

Devin Walsh and Ken Ng will serve as the first two Board members of the UF. Alongside the UF's Advisors, they will interview and target to hire a third Board member in the first 3 months of operations.

## Budget

We are requesting \$74M in UNI. This funding would be broken down into the following buckets:

- \$60M for Uniswap Grants Program

Grants spending will be broken down into the below categories. We will revisit and readjust these categories as needed to ensure we continue to deploy resources where they are most impactful.

We are proud of the work done by UGP thus far (memorialized in this [retrospective](#)), and are incredibly excited to expand the scope of its work.

We are already in the process of assessing several high impact grant proposals which UGP would be excited to fund, if and when this proposal is passed. Two examples are:

1. A version of Uniswap v3 written in Cairo, to be deployed on Starknet
2. A prototype of an MEV estimation tool leveraging machine learning techniques built by respected academics in the space

We are also excited to continue funding ongoing work by existing grantees funded by UGP v0.1, including governance experiments and analyses from Other Internet, customer support from Serv.eth, and ETHGlobal hackathons.

To ensure community alignment with larger grants disbursements, the UF will put forth an off-chain Snapshot to the community for proposed grants larger than \$2M.

We believe that this Grants budget will last approximately 3 years but this is subject to change depending upon the number and quality of applicants. We plan to approach the Treasury for additional Grants funds when there are ~6 months of funds remaining.

- \$14M operating budget

to build out a full team of 12 over the next two years.

In order to provide stability to our employees and to sustain the Foundation, we may make a request to the community for additional funding for further out than 3 years when we return to the Treasury at 6-12 months of operations (read more below).

Budget estimate looking forward three years is below.

\*Inclusive of UNI vesting. In order to incentivize a highly qualified team, the UF will offer competitive compensation packages including both fiat and long-term vesting UNI. To provide full transparency, we will disclose UF financials later this year.

\*\*The UF will allocate an additional \$2M in funds to cover legal fees in the case of unexpected future litigation.

## Fund Disbursements

An approval of this proposal is an approval for the full \$74M budget requested.

We are requesting the funds in two disbursements:

1. \$20M

now to cover operating expenses for the next 2 years and grants for 1 year. Assuming a UNI price of \$7.04\*, this initial request totals to 2,840,909 UNI.

1. \$54M

, to be disbursed by the Uniswap Treasury in 6-12 months once the UF has completed the establishment of its legal entity. The UF will publish a post on the forum notifying the community a week prior to putting forth a formal governance proposal for the remaining funds. In other words, because this proposal approves the full amount of funding, we will not go through an additional the Temperature Check and Consensus Check steps to receive this second disbursement.

\*To calculate our final UNI request we will use the 30 day TWAP on the day we put forth our Governance Proposal. \$7.04 is approximately the 30 day TWAP as of 8/3/2022.

## Governance Participation

The UF is also requesting 2.5M UNI

to participate in governance.

These tokens will be delegated to the UF by the Uniswap DAO through a new smart contract design, [The Franchiser](#), which ensures the tokens are only used for delegation, and allows the DAO to claw back the tokens at any time. The UF plans to use these tokens primarily for delegation to community members without the requisite 2.5M UNI to submit a governance proposal, however the UF may also self-delegate the UNI to vote, and to put up its own proposals.

The Franchiser was developed by [Noah Zinsmeister](#) and was audited by [Trail of Bits](#).

## Next Steps

We are excited to discuss this proposal with the broader community as it passes through the Request for Comment phase. Should sentiment be positive, a Temperature Check Snapshot poll will be set up on Mon., August 8. If the Temperature Check poll passes, additional feedback will be incorporated before moving forward to the Consensus Check.

Additionally, to discuss the proposal and answer your questions, we plan to attend the Uniswap Community call at 4 PM EST on Wed., August 10, and to host a Twitter Spaces on @uniswapgrants

at 11 AM EST on Mon., August 15.

## Addendum

### What is UF's relationship with other ecosystem entities?

The goal of the UF is to be one of many

organizations supporting the Protocol. UF's overarching focus will be on seeding and growing an ecosystem of entities supporting the Protocol.

### What is UF's relationship with Uniswap Labs?

The UF is an independent entity whose mandate will be to grow Uniswap's usage, reinvigorate the governance process, and advocate for the protocol and community. To achieve those goals, it will build its own lean team, and provide grants to, support, and/or work alongside a number of existing and new values- and mission-aligned organizations.

Uniswap Labs is one of many organizations in the Uniswap ecosystem. It built, deployed, and, alongside many other teams, will continue to contribute to and build on the Protocol in the future.

As a commitment to the proper decentralization of the protocol, Uniswap Labs had previously provided a royalty free perpetual license for V3 and related trademarks to the Uniswap Grants Program and selected grantees at UGP's discretion. To succeed, the UF will require the ability to grant v3 BSL license exemptions, to maintain the governance forum, [Sybil.org](#),

and Protocol-related developer docs, and to help facilitate protocol development across many teams. Labs has given their blessing to this preliminary proposal for asset transition.

## What kind of legal entity will UF be?

Currently, this proposal is being made by the Uniswap Foundation, a pre-existing Delaware corporation formed by Uniswap community members Devin Walsh and Ken Ng. However, the UF team is conducting extensive research to determine the type of legal entity which best matches our ambitions, including our mission to make a positive social impact. The entity should also give the UF the ability to enter into contracts, open a bank account, and hire employees. Given these requirements, we are contemplating a US-based entity that would seek tax-exempt status. As there is no guarantee that tax-exempt status will be secured, we may make modifications to UF's structure and operations in the future. We will share more about our path forward with the community as soon as we are able to.

## What will happen to the \$UNI after it's sent to the UF?

If the proposal passes, funds will be sent to the UF multi-sig, which is custodied by the ED, Head of Operations, and UF Advisors.

To provide runway for our team and grantees, we intend to convert all \$20M of the initial UNI disbursement to stablecoins and fiat over the first month of operation. We have established relationships with multiple brokers, are also exploring private sale options, and plan to pursue an approach which will minimize UNI price impact.

We similarly plan to diversify the remainder of funds in the second disbursement. At least one month prior to transfer, the UF will publish a Foundation Treasury Diversification report for this UNI. In the report, we will detail the amount we plan to diversify, which broker we plan to use, and how we plan to price the UNI sold.

## How does UF's Budget compare with the budgets of similar organizations across web3?

The \$74M

budget represents ~1.05%

of the total UNI supply. This is a relatively small percentage of UNI supply compared to the percentage of tokens allocated to Foundation and Grant programs by other protocol teams.

- 45% of OP tokens have been allocated to an Optimism Ecosystem Fund (25%) and Retroactive public goods funding (20%) ([here](#))
- An unpublished portion of ~22% of dYdX were allocated to current and future employees and consultants of the Foundation ([here](#))
- ~26% of GRT was allocated to The Graph Foundation, educational programs, and grants ([here](#))
- 25% of CELO was allocated to Community and Operational Grants ([here](#))
- 12.5% of SOL was allocated to the Solana Foundation ([here](#))
- The Ethereum Foundation holds a treasury of \$1.6B ([here](#))

## What happens to UGP and the UGP Subcommittees?

To start, UGP will continue operations as it exists today with the existing Allocation Committee. Once the Grants Lead is hired, they will lead all grants funding decisions and require final approval from either Devin or Ken (2/3 approval required from Grants Lead, Ken, and Devin).

UF plans to continue to fund the existing UGP subcommittees as separate, supportive entities. [The Stable](#) subcommittee will continue to be made up of Ken and [Boris](#). The UGP Community Analytics subcommittees will continue to be made up of [Yj](#), [Fede](#), [Rantumbits](#), [Annamira](#), TzM, and [Trea Qura](#).

## How does the UF plan on being sustainable over time?

This proposal would fund UF operations for at least 3 years. In the future, we plan to return to the community to increase our operating budget when we approach 18 months of runway.

We also predict our grants budget will last approximately 3 years. In the future, we plan to return to the community to increase our grants budget when we approach 6 months of funds remaining.

If this proposal is passed, we and the Foundation shall undertake our work abiding by the covenant of good faith and fair dealing.

It is the Foundation's current intent to use the disbursement in accordance with the terms of, and achieve the results described in, this Proposal. However, it is not possible to predict the course of future events, and thus actual uses and results may vary. If material changes to the operations of the Uniswap Foundation are required, we intend to put forth a subsequent vote to the community prior to making those changes.

Subject to any future agreement by the DAO to the contrary, the Foundation will hold the DAO and its members harmless with respect to any liabilities or damages assessed against the Foundation or its personnel based upon the making of the disbursement, the Foundation's or its personnel's use of the disbursed tokens or any other activities undertaken by the Foundation or its personnel in furtherance of the foregoing, other than liabilities or damages arising out of the DAO's fraud, willful misconduct or criminal activity.

Disclosure: Devin and Ken both hold UNI tokens. To the extent that readers find it relevant, Devin also holds a small amount of Uniswap Labs equity.