

Summary

This proposal presents Aave with the opportunity to onboard 1INCH to the Etheruem Aave V3 Market.

Motivation

As part of the community efforts on the V2 to V3 migration, Chaos Labs proposed [a multi-phased plan](#) to promote V3 adoption. As per this plan, Chaos Labs proposes to list 1INCH on Aave V3 on Ethereum. 1INCH is currently listed on V2 Ethereum with borrow disabled.

As the proposed assets in the migration plan are traded with relatively low market cap and trading volume, we have taken a prudent approach in setting borrow caps to account for no more than 1% of the average daily trading volume. The supply cap was derived using our supply cap methodology with the V2 data (simulation results can be seen in the image below). Additionally, we have adjusted the IR Slope1 to reflect the changes in interest rates over the past months and adjusted the liquidation bonus levels to the current liquidity levels in DEXs.

Specification

Ticker: 1INCH

Contract Address: 0x111111111117dC0aa78b770fA6A738034120C302

Parameter

1INCH

Isolation Mode

Yes

Borrowable

Yes

Collateral Enabled

Yes

Supply Cap

22M

Borrow Cap

720,000

Debt Ceiling

\$4.5M

LTV

57.00%

LT

67.00%

Liquidation Bonus

7.50%

Liquidation Protocol Fee

10.00%

Variable Base

0%

Variable Slope1

9.00%

Variable Slope2

300.00%

Uoptimal

45.00%

Reserve Factor

20.00%

Stable Borrowing

Disabled

Stable Slope1

13.00%

Stable Slope2

300.00%

Base Stable Rate Offset

3.00%

Stable Rate Excess Offset

5.00%

Optimal Stable To Total Debt Ratio

20.00%

Flahloanable

Yes

Siloed Borrowing

No

Borrowed in Isolation

No

Next Steps

1. If consensus is reached and the proposal is refined, submit the ARFC for a snapshot vote for final approval.
2. If consensus is reached, submit an Aave Improvement Proposal (AIP) to onboard 1INCH on the Ethereum Aave V3 pool.

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