Proposal updated

Title: [ARFC] Aave V3 Deployment on BNB Chain

Author: @marczeller - Aave-Chan Initiative

Date: 2023-04-04

Summary

:

This ARFC proposes the deployment of Aave V3 on the BNB Chain, expanding Aave's presence and tapping into the growing DeFi ecosystem and user base of BNB Chain.

Abstract

:

Upon approval by the Aave community, Aave V3 will be deployed on the BNB Chain with a selection of suitable assets for collateral, including BNB, WBTC, BETH, WETH, USDC, and USDT. This deployment aims to enhance the growth and collaboration between the Aave and BNB Chain communities, providing new opportunities for both ecosystems.

Motivation

:

Deploying Aave V3 on the BNB Chain presents potential benefits for both Aave and BNB Chain ecosystems. Aave would gain access to BNB Chain's user base, DeFi ecosystem, and potential additional revenue. In return, BNB Chain would benefit from having a flagship DeFi project like Aave on its platform, further diversifying DeFi options available to its users.

Specification

:

The ARFC suggests deploying Aave V3 on the BNB Chain with the following assets for collateral: CAKE, BNB, BTCB, WETH, USDC, and USDT. The table below provides the suggested risk parameters for each asset.

Risk Parameter

CAKE

BNB

BTCB

WETH

USDC

USDT

Isolation Mode

YES

NO

NO

NO

NO

NO

Enable Borrow

YES

YES

YES

YES

YES

YES

Borrowable in Isolation

NO

NO

NO

NO

YES

YES

Enable Collateral

YES

YES

YES

YES

YES

YES

Emode Category

N/A

N/A

N/A

N/A

N/A

N/A

Loan To Value

55.00%

70.00%

70.00%

80.00%

77.00%

75%

Liquidation Threshold

61.00%

75.00%

75.00%

82.50%

80.00%

80.00%

Liquidation Bonus

10.00%

10.00%

10%

10%

5.00%

5.00%

Reserve Factor

20.00%

20.00%

20.00%

15.00%

10.00%

10.00%

Liquidation Protocol Fee

10.00%

10.00%

10.00%

10.00%

10.00%

10.00%

Borrow Cap

1,800,000

42,000

190

6,400

20,000,000

20,000,000

Supply Cap

5,000,000

46,000

400

8,000

50,000,000

50,000,000

Debt Ceiling

$7,000,000

N/A

N/A

N/A

N/A

N/A

Stable Borrowing

NO

NO

NO

NO

NO

NO

uOptimal

45%

45%

45%

80%

90%

90%

Base

0%

0%

0%

0%

0%

0%

Slope1

7%

7%

7%

3.30%

5%

5%

Slope2

300%

300%

300%

80%

60%

75%

Symbol	Address
CAKE	0x0e09fabb73bd3ade0a17ecc321fd13a19e81ce82
BNB	0xbb4CdB9CBd36B01bD1cBaEBF2De08d9173bc095c
BTCB	0x7130d2a12b9bcbfae4f2634d864a1ee1ce3ead9c
WETH	0x2170ed0880ac9a755fd29b2688956bd959f933f8
USDC	0x8ac76a51cc950d9822d68b83fe1ad97b32cd580d
USDT	0x55d398326f99059ff775485246999027b3197955

Deployment Checklist:

- Risk service providers feedback
- BGD Labs [Infrastructure/technical evaluation Report](#)
- Oracle recommendation

([Chainlink](#))

- The graph support
- Cross-chain messaging infrastructure for governance

Disclaimer

The Aave-Chan Initiative (ACI) is not compensated in any form by Binance & BNB for creating this ARFC proposal. This ARFC has been prepared solely to facilitate community discussion.

At the time of writing, the author owns ~70$ worth of assets on the BNB chain.

Next Steps

1. Integrate BGD Labs Infrastructure/technical evaluation report once available.

2. Refine the ARFC based on community feedback and risk service provider recommendations.

3. If consensus is reached and the proposal is refined, submit the ARFC for a snapshot vote for final approval.

4. If consensus is reached, submit a deployment AIP to activate Aave V3 BNB.

Copyright

Copyright and related rights waived via CC0.