

When GMX was formed, the community established a distribution that included an allocation of 250,000 tokens to contributors over the first two years reflecting ~1.9% of the total token supply of GMX tokens. These tokens were distributed linearly over that period.

Milestones

During that period, GMX has crossed numerous significant milestones:

- successful deployment to Ethereum L2, Arbitrum One
- formalizing community governance including discussion forums, snapshot voting, implementation of multi-sigs, and the use of Labs
- expanding the contributor base to support growth
- successful deployment to a second EVM chain, Avalanche, and securing a \$4,000,000 grant for scaling activity there
- becoming the largest native DeFi protocol on Arbitrum measured by TVL, Volume, and on-chain activity
- continued iteration on the GMX V1 (GLP)
- removal of time to hold requirements on position close
- development and deployment of hybrid oracles for low latency pricing
- two transaction methods, significantly reducing Oracle extractable value
- on-chain referral and trader rebates
- dynamic open interest caps to limit open interest skew
- multiple safety, security, and stability updates to ensure the health of the protocol
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- multiple safety, security, and stability updates to ensure the health of the protocol
- marketing and messaging that has maintained through contributors and community an active presence for GMX in discussions of leading protocols, thought leaders, and preferred development partner
- establish key relationships across the Arbitrum, Avalanche, and DeFi ecosystems, making GMX trading, referrals, and GLP, an integral protocol for users and other protocols/DAOs

GMX V2

Development and beta release of GMX V2 which has developed out of the strategic guidance of the community on formulating protocol development ([X4: Protocol-Controlled Exchange - GMX News](#)) under a BSL license ([Snapshot](#)) for the benefit of the GMX DAO.

- a code base developed over the last year
- jointly contributing to the development and the launch partner of a new flagship low latency Oracle by industry leader Chainlink, creating greater decentralization and economic security for the protocol
- \$2,000,000 committed/funded for third-party expenditure towards risk and safety including
- audits during design and development conducted by four distinct firms: ABDK, DeDaub, Guardian, and Sherlock.
- ongoing advanced formal verification by the Certora Prover (<https://www.certora.com/>)
- economic risk analysis by Chaos Labs in the design and deployment
- contributor firms brought on board for threat detection, incident response, and web2/3 penetration testing to support post-launch

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Utilization of Tokens

Contributor tokens have helped to secure the commitment of contributors supporting the development of the protocols under the GMX banner despite limited funds (in stables and ETH) in the treasury when the community formed the DAO.

Compared to many protocols and DAOs that have kept a large token supply for their contributors, founders, and teams the approach at our inception and ever since was very different including having no founders or teams but instead the community self-governing and bringing in contributors from that community with a limited initial runway to help grow this decentralized organization and the protocols under it. It was about leveraging this diverse group of community, contributors, and partners growing GMX.

Over the last two years, tokens and fees have been directed towards supporting all participants:

- 1.46 million tokens for the community (GMX staking rewards) + 30% of protocol fees
- 1.40 million tokens liquidity incentives (GLP staking rewards) + 70% of protocol fees
- 0.25 million tokens on development, marketing & security (bonding, swaps, referrals)
- 0.25 million tokens to contributors

What is being asked for?

- “Labs” ([Snapshot](#)) is seeking support for an allocation of 250k GMX over the next two years from the ~0.75 million tokens remaining in the integration incentives and community developers allocation of the tokenomics and overall ~2.00 million available in the treasury towards Contributor Tokens. Such amounts drawn in the same manner as the original two-year allocation
- There is no proposed change to the hard cap which remains 13.25 million GMX
- these distributions to Labs remain subject to governance, with future distributions terminatable if governance determines that such payments no longer support their requirements
- Labs commit to an orderly handover to other contributors, and community members if so desired by governance, if such an arrangement does not continue at any time.
- coinciding with the two-year mark and the launch of V2, a treasury growth plan ([Snapshot](#)) was passed, there is a possibility that over time as this becomes a more stable source of funding that this be considered to partially or fully fund contributions to the protocol.

What does GMX gain?

- the contributors have never maintained a roadmap for the protocol, instead taking guidance and where possible providing support for tasks identified as priorities; contributors and Labs intend to continue to try to support such priorities including those related to V2
- Labs will continue to present ideas of interest to governance and continue to coordinate technical contributors in relation to the upkeep, development, and good functioning of the existing protocol
- this commitment of contributor tokens over the next two years will allow Labs the stability to secure and retain long-term contributors who have provided meaningful contributions to the growth of GMX

Forum Discussion / Snapshot Voting

- before progressing to a snapshot, we seek feedback on this proposal, alternate proposals, and/or improvements. Depending on the final nature of the discussion a proposal may be put up with a For, Against vote or multiple options evaluated via ranked choice