Project Name:

Perpetual Protocol

Author Name:

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Defillama TVL (at snapshot):

$31,274,396

Transactons/day (at snapshot)

: 21,301

Tier:

1

Optimism native:

Yes

Revisions to metrics used:

N/A

Number of OP tokens to claim:

9,000,000

L2 Recipient Address:

0xDcf664d0f76E99eaA2DBD569474d0E75dC899FCD

Proposal for token distribution (under 1000 words):

Background

Perpetual Protocol is a leading decentralised perpetual swap protocol that has facilitated over 40 billion in un-incentivised trading volume since inception. We have currently deployed Curie (V2) on Optimism and this proposal explores how we can grow on Optimism as well as support the growth of the chain

Goals

To ensure alignment we've defined the goals in mind for both parties with regards to Perp being Optimism-native. Our north star metrics are two fold:

1. Daily trading volume

2. Weekly active users

For Optimism we have the following goals in mind:

1. Bring more developers and builders into the Optimism ecosystem

2. Increase TVL

3. Significantly increase number of daily transactions

Token Plan

Distribution

Token holders have recently passed the new tokenomics proposal which outlines two programs that can support these goals:

1. Liquidity Acquisition

: are incentives for lenders to lend any type of collateral to the Market Making Entity

1. Liquidity Mining

: are incentives for market makers to ensure deep liquidity and the best experience for traders

1. Builder Acquisition:

we will extend our current grants program and further incentivise builders to build on top of Perp and utilise Perp as a base layer

Our plan is to have these tokens allocated towards three type programs. One key thing to note is that given our history of experimentation, we may scale incentives up or down depending on the outcomes of each program. Our goal is to ensure that we don't overspend and that we maximize the impact of these tokens.

Liquidity Acquisition

In our liquidity acquisition program, the market making entity will borrow from lenders in a model similar to Curve. This will bring in more users looking for yield. Additionally, the market making entity is tasked at deploying this capital into market making on Perp. As more liquidity moves into the system we expect trading volumes to increase as well as the number of new users.

With the liquidity borrowed, the market making entity is tasked with deploying it in 3 ways:

1. Market making on Perp V2:

the team will deploy its own strategies to ensure deep liquidity and the best trading experience for all users

1. Lending to other market makers:

long-term sustainability requires multiple market makers and in this case we would look at lending at attractive rates to help bootstrap their journey into market making on Perp V2 as well as on Optimism

1. Bootstrapping partners:

one core tenant is our focus on composability, and, as such, we'd love to be able to support projects in bootstrapping their TVL. An example of this is partners like Brahma where their first product (principle protected vault) was built on top of Perp. In this example we'd be able to deploy liquidity and help bootstrap their TVL to provide comfort for others to start participating.

The final point to add here is that because of our focus on composability we aim to integrate with best in class products on Optimism. In cases where they are not deployed on Optimism already we have been working with the Optimism foundation team to ensure they deploy and bring their users and TVL across

Liquidity Mining

To help drive liquidity we aim to deploy OP incentives via a vePERP model based on the collateral that market makers want to use. We have initial partnerships with Frax and Terra to incentivise the usage of FRAX and UST on OP. We plan on replicating this to build and incentivise a robust ecosystem of different collateral types on OP. We propose allocating 8M tokens here

Builder Acquisition

We currently have a grants program (latest write up here:https://blog.perp.fi/perpetual-protocol-grants-committee-year-end-report-58299271f733) and have deployed > $500K over it's lifetime. We plan on continuing to support and bring partners over to Optimism and building on top of Perp through a combination of:

1. Grants:

giving out grants for projects to integrate, build tooling or other engineering focused tasks on top of Perp. We propose to allocate 500K OP tokens for this

1. Bootstrapping

: as per liquidity acquisition, we can support partners with initial bootstrapping of TVL to help maximise their success in the Optimism ecosystem. We propose to allocate 500K OP tokens for this

Duration

Depending on the price of OP, we expect these incentives to last anywhere from 4 months to a year

Co-Incentives

We aim to match all of the incentives on a 1:1 basis. As this is expected to be a large amount of the tokens that have been

unlocked by governance, this aligns interests of both parties to grow Optimism