

[ARFC] Add EURC to BASE Aave V3

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ARFC updated with Parameters 2025-01-23

Simple

Summary:

The current ARFC proposes to add EURC on Base V3. EURC is Circle's EUR-backed stablecoin, enhancing liquidity and expanding the platform's appeal to European users. Original proposal was [[TEMP CHECK] Add EURC to BASE Aave V3

](<https://governance.aave.com/t/temp-check-add-eurc-to-base-aave-v3/20423>) but has been reformatted to be governance compliant. It has also passed [TEMP CHECK Snapshot](#).

Motivation/Background:

EURC is a fully backed stablecoin pegged to the Euro, issued by Circle, the same entity behind USDC. It is a reliable and transparent Euro-denominated asset gaining adoption across DeFi protocols.

- Utility and Role:

EURC facilitates Euro-based transactions in DeFi, allowing for a stable store of value and an efficient medium of exchange within the ecosystem.

- Backers:

Circle is a trusted issuer with a track record of regulatory compliance, providing confidence in EURC's stability.

- Performance:

EURC has demonstrated consistent performance and adoption within the broader DeFi space such as Morpho (3M), Alien(4M) and Aerodome (3M).

- Euro Liquidity:

EURC will offer Aave users access to Euro-denominated liquidity, appealing to the European market.

- Broader User Base:

Listing EURC could attract new users from Europe, diversifying Aave's stablecoin offerings.

- Increased Liquidity:

The addition of EURC can enhance liquidity across Aave's markets, improving lending, borrowing, and trading experiences.

Chain to be Deployed/Listed:

- Chain:

Base

- LTV:

Proposed initial Loan-to-Value (LTV) ratio is 75%, consistent with other stablecoins.

- **Parameters: Updated based on Risk Service Providers feedback 2025-01-23

Parameter

Value

Isolation Mode

No

Borrowable

Yes

Collateral Enabled

Yes

Supply Cap

4,200,000

Borrow Cap

3,800,000

Debt Ceiling

-

LTV

75.00%

LT

78.00%

Liquidation Bonus

5.00%

Liquidation Protocol Fee

10.00%

Variable Base

0%

Variable Slope1

12%

Variable Slope2

40%

Uoptimal

90%

Reserve Factor

10%

Stable Borrowing

Disabled

Flashloanable

Yes

Borrowable in Isolation

No

E-Mode Category

-

Useful Links

Project: [Circle | USDC & Web3 Services for a new financial system](#)

Documentation: [EURC | A Euro-Backed Stablecoin](#)

Base Contract: 0x60a3e35cc302bfa44cb288bc5a4f316fdb1adb42

Base Chainlink Oracle: [EURC / USD Price Feed | Chainlink](#)

[[TEMP CHECK] Add EURC to BASE Aave V3 Instance

](<https://governance.aave.com/t/temp-check-add-eurc-to-base-aave-v3-instance/20626>)

[TEMP CHECK Snapshot](#)

Disclaimer

This proposal is powered by Skywards. ACI is not affiliated with original author (shanenolan) and did not receive compensation for the creation of this proposal.

Next Steps

1. Publish an ARFC and get community and risk service providers feedback, and escalate to Snapshot stage.
2. If the ARFC snapshot outcome is YAE, publish an AIP vote for final confirmation and enforcement of the proposal

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