

## Summary

This proposal seeks to list 0xBitcoin (0xBTC)

as a collateral and borrowable asset on Aave V3 on Ethereum

, enhancing the utility and adoption of 0xBTC while diversifying Aave's asset pool. The integration of 0xBTC into Aave V3 will allow users to leverage their 0xBTC holdings for borrowing other assets or earning yield through lending, further solidifying Aave's position as a leading DeFi protocol.

## About 0xBitcoin (0xBTC)

0xBitcoin is a fully decentralized ERC-20 token that replicates Bitcoin's proof-of-work (PoW) mining model on Ethereum. 0xBitcoin was launched on Ethereum in 2018 and is currently the only neutral asset on Ethereum. Key features of 0xBTC include:

- Decentralization

: 0xBTC adheres to the principles of Bitcoin with no central authority controlling its issuance.

- Fixed Supply

: Like Bitcoin, 0xBTC has a capped supply of 21 million tokens.

- PoW Mining

: Tokens are minted via an Ethereum-compatible mining process, ensuring distribution fairness.

- Compatibility

: As an ERC-20 token, it benefits from the composability of Ethereum's DeFi ecosystem and can be migrated to be used in any L2 EVM.

With a growing community and increasing utility, 0xBTC is a promising candidate for integration into Aave.

## Motivation

Adding 0xBTC to Aave V3 on Ethereum provides several benefits:

### 1. Enhanced Utility for 0xBTC Holders

: Allowing holders to use their 0xBTC as collateral or to earn yield by lending increases its utility.

### 1. Diversification of Aave's Asset Pool

: 0xBTC's unique PoW-backed mechanism diversifies Aave's offerings.

### 1. Increased TVL for Aave

: Listing 0xBTC can attract a dedicated community, increasing Aave's total value locked (TVL).

### 1. Promotion of Decentralized Assets

: Supporting 0xBTC aligns with Aave's ethos of decentralization and innovation.

## Technical Overview

- Token Address

: [\\$0.09 | 0xBitcoin Token \(0xBTC\) Token Tracker | Etherscan](#)

- Blockchain

: Ethereum

- Protocol Standards

: ERC-20

- Market Data

: \* Market Cap: [0xBitcoin price today, 0xBTC to USD live price, marketcap and chart | CoinMarketCap](#)

- Max Supply: 21,000,000 0xBTC

- Circulating Supply: 10,500,000
- Current Price: \$0.09
- Market Cap: [0xBTC price today, 0xBTC to USD live price, marketcap and chart | CoinMarketCap](#)
- Max Supply: 21,000,000 0xBTC
- Circulating Supply: 10,500,000
- Current Price: \$0.09

## Risk Analysis

### 1. Smart Contract Risk

:

- 0xBTC operates on a well-audited ERC-20 standard.
- The token contract has been active for years with no known vulnerabilities.
- Market Risk

:

- Moderate liquidity across major decentralized exchanges (DEXs).
- A growing market cap and increasing adoption indicate resilience.
- Volatility Risk

:

- As with other crypto assets, 0xBTC experiences price fluctuations.
- Mitigation: Aave's risk parameters can be set conservatively initially (e.g., lower loan-to-value ratio).
- Community and Ecosystem Risk

:

- 0xBTC has an active and dedicated community, ensuring sustained development and support.

## Proposed Risk Parameters

Parameter

Value

Loan-to-Value (LTV)

50%

Liquidation Threshold

60%

Liquidation Bonus

10%

Reserve Factor

20%

Interest Rate Strategy

Stable & Variable Rates

These parameters balance risk and utility, ensuring a smooth onboarding process.

Benefits to Aave Ecosystem

#### 1. Increased Adoption

: 0xBTC's active community will likely engage with Aave's lending and borrowing services.

#### 1. Higher Revenue

: Fees generated from 0xBTC lending and borrowing activities will contribute to Aave's revenue.

#### 1. Strengthened Market Position

: Listing innovative assets like 0xBTC reinforces Aave's reputation as a leader in DeFi.

#### Next Steps

1. Community discussion and feedback on this proposal.
2. Onboarding process, including:
3. Risk assessment by Aave's risk team.
4. Governance vote for approval.
5. Technical integration and deployment on Aave V3.

#### Conclusion

Adding 0xBTC to Aave V3 on Ethereum represents a strategic opportunity to expand Aave's asset offerings while enhancing 0xBTC's utility and adoption. By collaborating with the 0xBTC community and conducting a thorough risk assessment, this proposal aims to achieve mutual growth and innovation.

#### Resources

- [0xBitcoin Official Website](#)
- [0xBitcoin Community Forum](#)

#### Authors

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#### Date

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