

Simple Summary

This CIP proposes to consolidate several existing mandates of the Core Treasury team, originally established by [CIP-19 \(karpatkey Proposal to Create a Core Treasury Team\)](#) and to request an allocation of 80 million COW tokens to empower the team and karpatkey to pursue additional liquidity provisioning, economic opportunities for the treasury tokens, and funding opportunities for the development and execution of CoW DAO product roadmap over the next 4 years (2025-2028).

The goal of this CIP is to strategically allocate COW in connection with long-term partners. The Core Treasury team will enact its best judgement on re-allocating COW between different initiatives in order to maximise the funds generated for CoW DAO's products.

At the time of writing, we are requesting 80 million COW tokens from the [DAO's currently owned COW tokens](#)

Motivation

CoW DAO's products have been revolutionising DeFi and protecting users from MEV since 2022, when the project spun out from GnosisDAO. Since then, CoW Swap & CoW Protocol have facilitated more than \$70.8 billion in trading volume, more than \$187 billion of value has been protected by MEV Blocker and more than \$27 million of volume has been supercharged by CoW AMM's features.

CoW Swap currently stands as the #1

UI for attracting trading volume, combining unparalleled ease of use with advanced trading tools to deliver an optimal user experience where price improvements are shared with users. CoW Swap & CoW Protocol makes CoW DAO's products recognized as the largest intent aggregator, seamlessly connecting users to the best trading opportunities, and the second-largest DEX aggregator in Mainnet, enabling efficient and optimized decentralized trades.

As an innovator in intent-based decentralized exchanges (DEXs), we lead the industry by setting new standards for trading efficiency. Additionally, our pioneering LVR-resistant AMM technology mitigates the risks associated with impermanent loss, providing users with greater stability and profitability.

We also take pride in being the first RPC provider to reimburse users, offering a groundbreaking approach to incentivizing and supporting our community, ensuring users are rewarded for their engagement and loyalty.

In addition to these technical and market fit achievements, the team has shown it can also deliver financially, generating 2M net profit for 2024.

This is why, in order to stay ahead of the innovation curve and keep delivering outstanding products, the team would like to increase the buffer of funds in the treasury, to allow scaling up the core team.

CoW DAO's innovative products operate on top of sophisticated tokenomics and incentive mechanisms, as highlighted in [CIP-38 - Solver Computed Fees & Rank by Surplus](#) and [CIP-48 - Solver rewards budget renewal and update of CoW DAO bonding pool operations](#). [

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](<https://europe1.discourse-cdn.com/flex013/uploads/cow/original/2X/2/2eb66acb5d1827285c8ea04276dbabf41cf736d9.png>)

As depicted in the image above, there is a gap between the revenue accrued by the DAO and the funds received in the Treasury. All operational income generated is first used to reimburse solvers for gas. As there is a weekly gap between fees charged in native tokens, withdrawal in ETH and payment to solvers, a buffer allocation is kept in ETH in the intermediary contracts to ensure correct operation of the protocol. From the net revenue, the Core Treasury team performs COW buybacks (as per [CIP-38 - Solver Computed Fees & Rank by Surplus](#)) and funds the Defense Reserve (vd. [CIP-50 - Establishing a Legal Defense Reserve](#)). Only the remaining portion of the net revenue is utilised by the Treasury for active DeFi management. For the development of the DAO's products, a series of functions and tasks must be performed, which have previously been authorised through several CIPs for IT, business development and grants.

Part of the revenue generated by CoW DAO's products is converted to COW and used to incentivise the solver competition. Nonetheless, a significant part of CoW's core development work requires funding for other assets.

This CIP's intention is to give flexibility to the Treasury to fund the development of the DAO's products through a new COW token allocation, assuming a continued increase of the amounts to be invested (net of accrued revenue) by 10-20% per year in the period of 2025-2028.

As outlined in CIP-19, [karpatkey](#) was mandated to create, train, and support a Core Treasury Team. This mandate has been successfully fulfilled, and the Core Treasury Team now comprises members of both the existing Core Team and karpatkey.

This new CIP seeks to update the mandate of the established Core Treasury Team, building upon the foundation laid by

CIP-19 to ensure the continued support of CoW DAO's long-term development.

Specifications

Given the above, the Core Treasury team requests 80 million COW tokens, that would be allocated to the following initiatives:

- Development of the CoW DAO products - 42M COW
- This will cover the majority of the investment plan for the period of 2025-28
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- Defense reserve completion - 5.5M COW
- Complete the allocation of [CIP-50 - Establishing a Legal Defense Reserve](#), ensuring proper funding of the protection layer of the DAO and stop the allocation of part of the DAO's Revenues
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- Provision of liquidity - 4.5M COW
- Increase DEX liquidity (mainly on Mainnet and one additional L2), to ensure proper price discovery in DEX markets, in line with the increasing liquidity on centralised exchanges
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- Solver rewards - 16M COW
- An estimated budget for 2025 for the Solver Rewards programs, in line with previous weeks / months [\(see example weekly payment here for Mainnet\)](#) and in line with the Growth plan for new networks.
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- Strategic partnerships - 10M COW
- This allocation is intended to be used for partnership agreements where CoW DAO's products are integrated into other web platforms, with the underlying objective of increasing market share and revenue through revenue sharing, increased volume to the Protocol and/or other economic benefits.
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- Other initiatives - 2M COW
- This allocation is intended to perform opportunistic market awareness activities, such as creating incentives for new solver feature development or for token holders.
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The above-mentioned allowances are indicative and flexible, and the Core Treasury team would be mandated to use their best judgment in reallocating funds between each category. For clarity, this means that the total amount requested across all allocations is fixed, but that the amounts allocated to each are what may be changed.

Listings Mandate

The Core Treasury Team's work as part of the CEX listing initiative, led to the COW token being listed by the following venues:

- Coinbase
- Binance
- Kraken (Perpetuals)
- Kucoin

- [Gate.io](#)
- Bitget
- [Crypto.com](#)
- HiBT
- MEXC
- Bitkan
- Bitmart
- ZKE
- Bybit (Perpetuals)

Given the success of the listing strategy, and the fact that more venues will be pursued in Q1 2025, the Core Treasury team requests that the remaining funds from the 4M COW budget allocated under [CIP-47 - Funding for the purpose of facilitating the listing COW token on CEXs](#), be fully utilised for the mandate under this CIP. This means that funds which were originally earmarked to be returned to the DAO on 2025-06-31, will remain under this treasury mandate.

Product Development Mandate

To clarify the amount of 42M COW earmarked for the development of CoW DAO's products:

- does not exclude the need for individual service providers or grantees to the DAO to request funding through further CIPs; and
- is not intended solely to be sold on the open market.

To ensure the responsible utilisation of COW tokens allocated for the development of the CoW DAO's products the Core Treasury team proposes the following "guidelines", with all percentages referring to the portion of the allocation designated for the product development mandate:

- The majority of this allocation cannot be exchanged in the market, and should require limit orders above the previous monthly average price ([provided by CoinGecko](#));
- To foster collaboration and long-term partnerships, the Core Treasury team may transfer the tokens as follows to entities that can provide substantial long term support to the development and goals of CoW DAO. The Core Treasury team is mandated to pursue the best interest of the DAO and ensure that transactions are done at a higher than market price or at adequate vesting schedules.
- To maintain a diverse and decentralised ecosystem, no single entity may be transferred more than 3% of the total COW token supply (30M tokens) under these mandates.

Note: Current market value refers to the maximum of the last 4 weekly average values (trailing monthly value), as [provided by CoinGecko](#).

Additional Terms

Validity

This mandate is subject to the approval of CoW DAO's Governance Mechanism as defined in [CoW DAO's Participation Agreement](#). In the event CoW DAO does not approve this mandate through its Governance Mechanism, this CIP shall be null and void.

Ownership and Control of Funds

For the avoidance of doubt, any and all funds allocated under this CIP shall remain, at all times, the sole and exclusive property of CoW DAO. All wallets holding funds pursuant to this CIP shall be established as multi-signature wallets, with CoW DAO designated as the ultimate owner. Moreover, CoW DAO shall retain the irrevocable right and ability to withdraw any or all funds from said wallets at its sole and absolute discretion, without notice or limitation and according to CoW DAO Governance Process.

Custody of Funds

Karpatkey DAO is not custodian of funds. Karpatkey DAO will only have the capacity to allocate the funds in a manner such that the CoW DAO authorised signers will have at all times absolute control over them.

Karpatkey DAO is not responsible for the loss of funds caused by the existence, identification, and/or exploitation of

vulnerabilities through hacks, consensus failures, sophisticated cyber-attacks, denials of service or other security breaches, attacks, or deficiencies with smart contracts or protocols which are not owned by CoW DAO or Karpatkey DAO.

The plans outlined in this proposal are subject to discussion by CoW DAO and may need to be (re)structured to account for legal, regulatory, or technical developments as well as governance considerations. This document should not be taken as the basis for making investment decisions, nor be construed as a recommendation to engage in any transactions.

Non-Solicitation Clause

During the term of this agreement and for a period of 2 years after its termination or expiration, neither Karpatkey DAO nor CoW DAO shall directly or indirectly solicit, hire, or engage any employee, contractor, or collaborator who is, at the time of such solicitation, employment, or engagement, engaged by the other party, without prior written consent of the other party.

Term & Termination

This CIP shall commence on successful vote and shall remain in full force and effect until the 31st December 2028.

Early Termination

The Core Treasury team may terminate this mandate for convenience by providing four (4) weeks prior written notice in the form of a Forum post.

CoW DAO may terminate this mandate if the termination is approved through CoW DAO's Governance Mechanism (as defined in CoW DAO's Participation Agreement); in case termination does not take into account the above-mentioned notice period, four (4) weeks of treasury management fees shall be payable based on average fees paid during the preceding 2 months.

Consequence of Early Termination

In the event of early termination by the Core Treasury Team, the Core Treasury Team shall send the remaining funds to the wallet(s) designated by CoW DAO.

In the event of early termination by CoW DAO, CoW DAO will withdraw any or all funds from the wallets controlled by the Core Treasury Team at its sole and absolute discretion and reallocate the funds at its will and as approved through CoW DAO's Governance Mechanism.

Miscellaneous (in no particular order)

Subcontracting.

The Core Treasury team may subcontract any portion of the mandate to be performed under this CIP and remains responsible for the obligations under this CIP.

Assignment.

The Core Treasury team and CoW DAO may at any time assign, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any or all of its rights and obligations under this CIP.

Confidentiality.

All information obtained privately (i.e. not via public discourse, such as blockchain transactions or on the CoW DAO Forum) shall remain the sole and exclusive property of the disclosing party (including CoW DAO and the Core Treasury team).

Independence of the Parties.

The Core Treasury team is an independent contractor and is not an employee, agent, partner, joint venture, legal representative, affiliate, or member of CoW DAO. Nothing in this CIP is intended to, or shall, operate to create a partnership or joint venture of any kind between the Core Treasury team and CoW DAO, nor authorise either party to act as an agent for the other. Neither party has the authority to act in the name or on behalf of, or otherwise bind, the other Party in any way.

Disclaimer.

CoW DAO and the Core Treasury team expressly disclaims all representations, warranties, guarantees, conditions and undertakings, including warranties of merchantability and fitness for a particular purpose.

Limitation of liability.

The Core Treasury team's total aggregate liability for all and any claims arising under or in connection with this CIP, regardless of form of action and whether in contract, tort, warranty, or other legal or equitable grounds (including in each case negligence), shall be limited to a maximum amount of USDC 50,000.00, provided that no fraud or gross negligence has occurred. The Core Treasury team shall not be liable for any actions taken by or on behalf of CoW DAO, including services and actions taken pursuant to this CIP.

If the provision of the Services is affected, hindered, prohibited or made impossible in whole or in part by a Force Majeure, this shall under no circumstances be deemed a breach of this CIP.

If any provision of this CIP is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable.

In the event of any dispute, claim, question, or disagreement, CoW DAO and the Core Treasury team shall use their best efforts to settle the disagreement. To this effect, they shall consult and negotiate with each other in good faith (using the CoW DAO forum (forum.cow.fi) or any other Interface) and, recognising their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. Any such amicable decision to resolve a dispute shall go through the CoW DAO Governance Mechanism. If no agreement is found within thirty (30) days, the disagreement shall be referred to and finally resolved by arbitration to be administered by the Cayman International Mediation & Arbitration Centre (CI-MAC) and governed by the Arbitration Act (as amended) of the Cayman Islands. The arbitration shall be conducted in the English language and the place of arbitration shall be in George Town, Grand Cayman, Cayman Islands. The number of arbitrators shall be one. The decision of the sole arbitrator to any such dispute, controversy, difference or claim shall be final and binding upon both parties.

This CIP shall be governed by and construed in accordance with the laws of the Cayman Islands, without regard to or application of the conflicts of laws, rules or principles.

Transactions will be executed on CoW DAO's Safe using the oSnap plugin, contingent upon successful passing of this CIP. When voting on Snapshot, participants are encouraged to verify the content, cross-check Tenderly simulations, and confirm alignment with the CIP's intent.

Tenderly Dashboard

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  "createdAt": 1735637729658,
  "meta": {
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      "name": "recipient",
      "type": "address"
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  "payable": false
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