

Towards a community-owned & driven DeFi middleware

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As we just concluded (and [announced](#)) our \$2.7M seed round, we'd like to take the time to share insight on our vision of where DeFi is going and what role will ParaSwap fulfill in the ecosystem.

2020: The Summer of DeFi

The summer of 2020 was explosive for DeFi! The \$1 billion locked in DeFi was a significant milestone crossed in June and it soon led to other records. There are now over \$8.5 billion locked in DeFi.

However, the real story lies beyond the figures — which are a delayed indicator of the shift at play.

In a few months, DeFi became the world's biggest and most active open financial laboratory.

Indeed, the pace of innovation in the DeFi space increased drastically in the wake of [Yearn](#)'s release in June. It triggered an unprecedented wave of diverse and ambitious financial experiments

. On top of this boiling situation, the innovative launch ("Vampire-Mining") of SushiSwap bolstered even more innovations for decentralized exchanges.

With the multiplication of decentralized exchange to pool liquidity on, attracting and retaining pooled capital became even more critical.

The "Liquidity Wars" — the race to attract liquidity as fast as possible to reach critical mass — are just beginning. We expect to see more innovative DEXs emerging over the coming months.