

Project Name:

Lyra

Author Name:

Mike

Defillama TVL (at snapshot):

\$31,948,436

Transactions/day (at snapshot)

: 325

Tier:

2

Optimism native:

Yes

Revisions to metrics used:

N/A

Number of OP tokens to claim:

3,000,000

L2 Recipient Address:

0xB6DACAE4eF97b4817d54df8e005269f509f803f9

Proposal for token distribution (under 1000 words):

The Optimism Collective is a new type of community that's digitally native, sustainable and fair. Lyra began the era of Optimism native projects and today, we are submitting one of the first proposals to the \$OP governance fund.

How will the tokens be distributed?

Our community has three pillars:

Builders

Liquidity

Traders

Lyra's \$OP distribution will reward each of them.

Builders

Amount

: 600,000 \$OP

Criteria

: Build on Lyra and apply to the [Grants Council](#)

We're going to build a vibrant ecosystem on top of Lyra. Composability is DeFi's superpower and projects like [Polynomial](#) and [Brahma](#) have demonstrated the potential of building on Lyra. Public goods such as [Lyra Live](#) and [The Short Put](#) provide value to the whole community and align with Optimism's ethos.

Whether you're building the next DeFi Option Vault, a community newsletter or anything in between, all builders will be eligible to apply.

Liquidity

Amount:

1,700,000 \$OP

Criteria:

Become a Lyra Liquidity Provider

- [Option Market Pools](#)
- [LYRA/ETH Gelato Pool](#)

Liquidity is essential for any crypto protocol and it plays a crucial role in Lyra. By depositing to the Option Market Pools, LPs provide the collateral that the AMM needs to trade. LPs will be eligible for a share of \$OP relative to their stake in the pools.

\$LYRA was the first token distributed on Optimism, reducing fees for token holders. However, building L2 native token liquidity is challenging and \$OP incentives will help Lyra build the most liquid L2 token.

Traders

Amount

: 500,000 \$OP

Criteria:

Start trading on [Lyra](#)

Increasing trading activity is Lyra's fundamental goal and the \$OP token presents an opportunity to onboard an array of new users. A rebate on trading fees will reduce friction and help Optimism and Lyra attract more activity. Since launch, traders have paid over \$600k in fees to Lyra Liquidity Providers.

Ecosystem

Amount

: 200,000 \$OP

Criteria:

To be administered by [Lyra Governance](#)

To inspire the next generation of Optimistic builders, Lyra will host a virtual hackathon and create content to educate builders on what to build with options and how to build on Lyra.

Retroactive

Up to 10% of the total allocation will be distributed retroactively to the builders and users that helped build the Lyra community.

How will this distribution incentivize usage and liquidity on Optimism?

More Builders

Without builders, there's no stuff. From smart contracts to dApps and everything in between, both usage and liquidity on Optimism start with building more stuff. We think this one is a no brainer!

Liquidity Migration

Lyra's ignition program caused the single largest spike of TVL on Optimism. LP incentives will encourage another mass migration of liquidity from L1.

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ignition

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More Traders

Every trade on Lyra is a transaction on Optimism and to date, we've seen over 8000 unique traders make almost 19000 trades. Trader incentives will enable Lyra to attract even more first time users to Optimism.

Why will the incentivized users and liquidity remain after incentives dry up?

Builders make things that last

While incentives are temporary, smart contracts and public goods built on Optimism are permanent. By directly incentivising builders, we will create an immutable foundation that exists long after the conclusion of the incentives.

Trader retention

When people start trading on Lyra, they don't stop. We have an almost 70% trader retention rate.

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Gas savings

Users are paying 200x less in fees than they would on L1.

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gas-savings

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Over what period of time will the tokens be distributed?

We will target distribution over 6 months. The exact rate at which tokens are distributed will be left to the Grants Council and Lyra Council to be ratified by governance in the upcoming [LEAP-24](#).

How much will your project match in co-incentives?

Builders - Grants Council will match \$LYRA to \$OP up to \$50k per month

Liquidity - \$LYRA distributed as per the framework in [LEAP-21](#)

Citizens - Trade fees matched up to a 100% total rebate

Note

This proposal is subject to approval by the Lyra Council. Specific allocations within each category are yet to be finalised.