

Basic Details

Project name:

Alluo

Author name and forum name (please provide a reliable point of contact for the project):

Didier / 0xec.eth

L2 recipient address:

0xc7061dD515B602F86733Fa0a0dBb6d6E6B34aED4

Which Voting Cycle are you applying for?:

Cycle 11

I confirm that I have read the landing pages for the [Builders 3] Sub-Committees and that I have determined my proposal is best suited to be reviewed by the Builders Sub-Committee: [Yes/No]:

Yes

Project Details

What are you going to build?:

A white-label payment API enabling fast on/off ramp for stablecoins to Optimism

By white label, we mean a payment API that lets builders create the experience they want directly within their dapps. Much like Stripe, we want to be below the surface, with no friction for the end-users.

First we want to focus on the on/off ramping of USDC and later to enable other currencies such as agEUR or sEUR for Euro. Today, USDC constitutes more than half of the stablecoins on the OP chain which is why we think it is the right focus to begin with.

Given Synthetix's strength on Optimism, it will also be possible for us to offer more native currencies in the future (Synthetix already offers sINR beyond sUSD and sEUR on L2 and more on L1 so we can only expect to see currencies such as sGBP and sAUD to come to L2s any time soon).

We also saw this announcement ([Optimism \(OP\) Soars 30% Amid Binance's BUSD Integration](#)) regarding the launch of BUSD on Optimism but that was before the SEC got involved with Paxos so this may be something we will continue to monitor for now.

Why is what you are going to build going to succeed?:

Today, we can already see that users are bringing funds on Optimism using Centralised exchanges so we can clearly see that there is demand from people to bring funds to OP - at the same time, because people have to use those Centralised exchanges in the first place, it limits the potential uptake from users who are less familiar with the blockchain given that Centralised exchanges don't always make it easy for users to get funds out and onto the right chain. Particularly given that for CEXes, once funds are on chain they can no longer be used by the user to generate fees on their platforms.

For novice users, sending funds from a CEX to their wallet on chain can be a nerve wracking experience between the risk of sending funds to the wrong chain or making a mistake when copying their wallet address (it is not rare for people to send funds directly to an ERC20 token address like USDC by mistake).

We believe that letting end-users onramp directly on the Dapps themselves and with a convenient user-experience will lead to a significant uptick in the number of users experiencing Optimism as their first blockchain in a way that is in line with their prior web2 experiences. Doing this without the need to go through a CEX like most of the times today is also something that is aligned with our and the foundation's ambition to improve decentralisation.

Is your project likely to bring new builders to the Optimism ecosystem? If so, please describe how:

We believe that having a good on/off ramp to Optimism could help bring new builders to the OP ecosystem, much in the same way that Stripe's arrival in the payment space has helped bring more developers to the e-commerce space.

Is your project likely to improve the quality of developers in the Optimism ecosystem? If so, please describe how:

This is relatively difficult to assert but in general, having a good payment API is one of the key components in making the ecosystem more accessible to less tech-savvy users and broadening the developer community, hence increasing the potential to bring in high quality developers.

Is your project likely to improve the commitment of developers in the Optimism ecosystem? If so, please describe how:

We believe that a good payment gateway and interface to the real world may broaden the scope of projects that are built on Optimism given that it lowers the bar to access these projects by less crypto-savvy users. This, in turn, should increase the commitment of the developer community towards optimism.

Provide us with links to any of the following for the project:

Demos

- Staking in a velo liquidity pool directly from a card ([high quality](#)):
- Buying Velo directly using Euros from a bank account ([high quality](#)):
- Website: <https://www.alluo.com>
- Twitter: <https://twitter.com/AlluoApp>
- Discord/Discourse/Community: [Alluo](#)
- Github: [Alluo · GitHub](#)

Do you have any metrics on the project currently? (TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.):

We have more than 1k users with TVL of \$2.6m across polygon and ethereum mainnet and 30k+ transactions

Our yield bearing USD (29k transactions [Interest Bearing Alluo USD \(lbAlluoUSD\) Token Tracker | PolygonScan](#))

And the streamed version (13.7k transactions [Streaming lbAlluo USD \(StlbAlluoUSD\) Token Tracker | PolygonScan](#))

Other metrics:

- TVL on Polygon [DeBank | The Web3 Messenger & Best Web3 Portfolio Tracker](#)
- TVL on Mainnet [DeBank | The Web3 Messenger & Best Web3 Portfolio Tracker](#)

Regarding the on/off ramp itself, we have only recently started the build, initially on the Celo chain so it is too early for us to share metrics but we will create a dune dashboard that will let people follow our on/off ramp flows to Optimism and see how these are tracking against the benchmark metrics laid out below.

Who are your competitors?:

There are a few widget providers like ramp.network, transak, moonpay etc. but they don't focus on stablecoins and do not provide a white-label API to their services, instead they constrain developers in using their widget and function much more like a centralised exchange in an iframe rather than a genuine on/off ramp white-label payment API.

What differentiates you from your competitors?:

- Software developer experience
- End-user experience
- Fees

On the software developer side, our ambition is ultimately to give developers an experience that is similar to Stripe, enabling builders to go from landing on our site to getting API keys and testing their first transactions within 5 minutes.

On the end-user front, we want to give end-users an experience that is on par with the best experience within the web2 space, where people don't even realise that they are interacting with a different vendor, just like people ordering online will often interact with Stripe without ever realising that this is the case. We will also enable smoother fiat to on-chain experiences, enabling someone to go from money in their bank account to providing liquidity in a pool earning rewards (see the staking Demo example).

Finally, regarding fees, our objective is to have some of the lowest fees in the market from smaller (<100 Euro) to larger amounts (10k Euro+) where current providers only focus on one hand of the spectrum to the detriment of the other (e.g. MtPellerin is very competitive for <500 Euro transactions but quickly rises to 1.3% for larger transactions).

Beyond card transactions, we will also offer direct bank to bank transactions with a twist in that each customer will have a separate account (vIBAN in Europe) which means that users will effectively be sending money to an account in their own name rather than in Alluo's or the Dapp's name - this is helpful because some banks in Europe have started to block transactions to crypto exchanges. In this case, those transactions will appear just like if the customer was sending money to themselves.

Our focus on stablecoins rather than on a broader set of assets like most of the providers in the space should allow us economies of scale ensuring that we can consistently offer the lowest fees to our users.

Will your project be composable with other projects on Optimism? If so, please explain:

By definition, we are a white-label API payment gateway that brings fast on/off ramps for stablecoins to Optimism which virtually allows us to be used by any protocol on optimism - for the protocols who do not use stablecoins directly (e.g. NFT platforms using ETH as primary coin) we will use a combination of liquidity aggregators such as 1inch, 0x and paraswap to ensure the best price and execution for each transaction.

This would effectively allow any token on Optimism to be bought or sold with fiat, much like a centralised exchange would have allowed but without the need to go through a formal listing process and the expensive fees that those typically entail.

Team

Who are your founders?:

Didier Baclin <https://www.linkedin.com/in/dbaclin/>

Remi Tuyaerts <https://www.linkedin.com/in/remituyaerts/>

What makes your founders well-positioned to accomplish your goals with this project (1-2 sentences on each)?:

Didier Baclin: prior experience as CEO/CPO in Fintech/Banking (SME and Consumer lending) scaling lending to \$100m+ and getting a UK bank licence - this experience is highly relevant given the need to work effectively with payment partners in a highly regulated environment which is something he has done for years.

Remi Tuyaerts: prior experience in Fintech in SME lending scaling to \$50m+ in lending - again this experience is highly relevant given the need for Remi and the tech team to build the right technology infrastructure which is compliant but also delivers best in class experience for users.

Tell us about the rest of your team (if there are more teammates):

Bivu Das <https://www.linkedin.com/in/bivu-das-17b4395/> - Bivu has a lot of experience operating within a highly regulated environment in operations and management functions

Julia Shaer <https://www.linkedin.com/in/juliashaer/> - Julia has also worked within the Fintech space for the past few years and as Product design lead, constantly raises the bar for customer experience

Alastair Preacher <https://www.linkedin.com/in/alastairpreacher/> - Alastair has a 20+ years experience building products across banking, consumer retail and within the fintech space

Also note that we have worked together in a previous fintech context so we are used to working as a team.

Is this your first Web3 project?:

Alluo is our first web3 as a team

If not, what else have you built? (Share links, Github repository, or any other useful information.):

I understand that Builders grants are subject to a 1 year lock-up, as explained further in [this post 1]: [Yes/No]:

Yes

Is your project funded? If so, provide an estimate of how many months of funding runway your project has:

12m+

Grant Request

What is the size of the grant request? (50k OP max):

30k OP

How do you justify the size of the grant?

This amount is proportional to the effort that it will take for our development team to build the best API-first white-label on/off ramp for optimism.

We expect a team of 4 developers (across the blockchain and back-end API side) to work on this project for about 3 months, following which we would expect to be in maintenance mode where new features will be added on request but the bulk of the value should have been delivered.

Roadmap

Month 1: API enabling the on/off ramping of USDC on Optimism for UK and EU based-customers is live in Beta and available through a few protocols deployed on optimism.

Month 2: Geographical expansion to either one country in LATAM or Africa - note that every integration with a new payment partner requires us to do some additional development given that each local providers have their own custom interfaces (for instance SEPA in Europe and PIX in Brazil are not the same and require different payment partners)

Beyond geographical expansion, we would also like to provide unique features for an on/off ramp such as the ability to call a set of smart contracts after the funds have been brought on chain, enabling the ability to go from money in a user's bank account to funds deployed in a liquidity pool in just 1 transaction (leveraging meta transaction and batched transactions to optimise user experience).

Month 3: Further geographical expansion to either one country in LATAM or Africa - in general, our ambition will be guided by the customer needs as they arise in the optimism ecosystem and the ability for us to strike new partnerships with local payment partners.

Describe in discrete steps your plan for accomplishing your project:

Generally, we work in an agile way where we start from the outcome we are trying to drive and go backwards on what we need to accomplish to deliver the goal.

In this case, our ambition will be to on/off ramp at least \$25m within the next 12 months - whilst this may seem relatively low in comparison to the growth of some of the protocols, one has to remember that this money is currently sitting in people's bank accounts so it means we will be bringing new users and money on chain rather than merely channelling funds from one chain to another.

With this in mind, our plan to accomplish this project is in 2 parts:

- The build side, which we have already started given our recent Celo grant - with this in mind, the API structure of our on/off ramp is already well underway.
- The distribution side, which we also have started and hope to further strengthen through this grant and eventually enable us to integrate with leading protocols on Optimism such as Velodrome, Synthetix, etc. In some cases, we may elect to write the front-end code for these protocols ourselves to accelerate the integration timelines and ensure the best user-experience possible.

Please provide any additional information that will facilitate accountability:(smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.)

Optimistim Safe: 0xc7061dD515B602F86733Fa0a0dBb6d6E6B34aED4

Does your plan depend on the receipt of OP tokens?:

Not really no, we are seeing the level of activity on Optimism picking up which is why we are interested in bringing our on/off ramp to OP but would see the grant as a mark of support from the OP team and the community which should help with future take up of our on/off ramp and spread its use within the OP builder community.

In general, we believe that lowering the bar for people to come on chain is something that is very worthwhile pursuing so any incremental support from the foundation and community is helpful to increase trust which then increases usage and reach which leads to further trust as part of a virtuous cycle.

What is your plan for the use of the OP token after the 1 year lock-up?:

We would like to participate in the governance of Optimism going forward.

This is something that we expect to do whilst also generating yield when Velodrome will roll out Velodrome V2 which should allow liquidity providers to keep their voting power for governance tokens such as OP (from [Velodrome: The Road Ahead. The Promise of DeFi | by Velodrome \(\) | Medium](#)). We would then expect to redistribute this yield back to our users which would further increase activity on OP.

You can see that, of the Celo grant, we've only used 500 cUSD to convert to cEUR as part of some of our early tests.

Initial grant transaction here where we received 25k:[CELO Transaction Hash \(Txhash\) Details | CeloScan](#)

When we swapped 500 cUSD to cEUR here:[CELO Transaction Hash \(Txhash\) Details | CeloScan](#)

When we did our first cEUR transaction here:[CELO Transaction Hash \(Txhash\) Details | CeloScan](#)

You can also see that there was just a bit more than a month between the moment we received the grant funds and our first live transaction which is why we are confident that we can provide a first live API version on/off ramping USDC on optimism

within 1 month of the grant.

Please provide benchmark milestones for this project. These milestones should guide the Optimism community on the progress of your project during the 1-year lock-up period.

As all predictions, it is always difficult to be 100% accurate but it is likely that it will take us a few months to become known in the market but of course, integrating with the likes of Velodrome or Synthetix could increase these volumes significantly in a very short timeframe.

Monthly volume

Cumulative

Month 1

\$100,000

\$100,000

Month 2

\$160,000

\$260,000

Month 3

\$260,000

\$520,000

Month 4

\$410,000

\$930,000

Month 5

\$640,000

\$1,570,000

Month 6

\$970,000

\$2,540,000

Month 7

\$1,400,000

\$3,940,000

Month 8

\$2,000,000

\$5,940,000

Month 9

\$2,800,000

\$8,740,000

Month 10

\$3,900,000

\$12,640,000

Month 11

\$5,300,000

\$17,940,000

Month 12

\$7,100,000

\$25,040,000

Please define critical milestones for this project. Critical milestones are meant to show good-faith efforts to accomplish the project. Non-completion of these milestones could lead to revocation of remaining grant rewards.

Critical milestone 1:

- Description:

Having our API live and enabling the on/off ramping of USDC on optimism with best-in-class speed (ie <60 seconds from when funds are received), fees (<1% for bank transactions of any size) and ability for protocols to tailor the experience and look and feel the way they want to.

- Target completion date:

within 4 weeks of grant date

- How to verify achievement:

We will provide a dune dashboard that will allow the community to track the cumulative amount of on/off ramps using our API

Critical milestone 2:

- Description:

Having our API integrated in production with at least 5 different protocols on Optimism - this will demonstrate our ability to build partnerships with protocols and showcase the superior experience we aim to create for both end-users and developers.

- Target completion date:

within 12 weeks of grant date

- How to verify achievement:

We will provide an up to date view in a forum post of all the protocols who have integrated with us along with the link to their on/off ramp experiences so they can be verified by any member of the community

Optimism Relationship

Does your project solve a problem for the Optimism ecosystem?:

We believe providing a white-label payment API is a core feature to lower the bar for everyday people to transact on Optimism. This, in turn, could enable a broader range of use cases to be developed on Optimism, particularly real-world applications where interfaces with more traditional payment methods are necessary.

How does your proposal offer a value proposition solving the above problem?:

We do believe that it is still difficult for new users to get funds on optimism today - particularly if they are not familiar with Centralised exchanges and bridges. We believe that a "native" experience that feels like web2 but gets funds on chain and deployed into protocols on Optimism is one of the keys to grow the ecosystem.

Similarly, the ability for people to easily get funds back off-chain should also limit any fear that people might have going on-chain in the first place. Often, people will want to make sure they can get their money out before committing larger sums on chain.

Why will this solution be a source of growth for the Optimism ecosystem?:

We believe bringing new users and money to the Optimism ecosystem is fundamental to its long term sustainability - we would love for Optimism to be the first chain that 1000s of new people would interact with for the first time.

How committed are you (and your team) to building on Optimism?:

Very committed given what the OP team has already managed to achieve in a relatively short period of time which gives us

a lot of confidence in the future of the OP ecosystem. The recent announcement by coinbase to build on the OP stack merely reinforces that belief.

Is your project Optimism Native?:

No

Confirmations

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant:
[Yes/No]:

Yes

I understand that I will be expected to following the public grant reporting requirements outlined [here]: [Yes/No]:

Yes