

WOO Network AAVE asset listing proposal

Summary

WOO Network is a deep liquidity network connecting traders, exchanges, institutions, and DeFi platforms. WOO Network provides users with access to the best-in-class liquidity, trading execution, and yield generation strategies at lower or zero cost. The network encompasses a centralized exchange WOO X, a suite of DeFi products called WOOFi and WOO DEX, and an institutional B2B liquidity service called WOOTrade. The WOO DAO forms the community backbone of the network, which drives collaboration with DeFi partners, provides support and funding for strategic projects, and helps facilitate user growth across the Web 3.0 ecosystem. This proposal includes information on the WOO Network and the [WOO](#) token for the AAVE community to consider listing WOO for borrowing, lending and as a collateral asset on the Ethereum blockchain.

Motivations

In line with the ethos of AAVE to be chain agnostic, the WOO Network aims to connect to liquidity sources across all chains and provide a seamless trading experience that helps pave the way for retail and institutional investors to enter the space en masse. Approximately 20% of the WOO Network volume is currently sourced from DeFi markets, including applications such as dYdX, Apollo X, WOOFi, 0x, Hashflow and Uniswap. At its peak, the WOO Network's 24hr trading volume exceeded 2.5B and averaged 500M daily.

Staking WOO enables zero-fee trading on WOO X. Therefore, large institutional traders, exchanges and investors require large amounts of capital to acquire the necessary WOO. Being listed on AAVE would allow these players to borrow the required WOO without having to expose themselves to market conditions. Additionally, more than 50% of circulating WOO is being staked, indicating holders of WOO seek yield opportunities and are therefore more likely to participate in lending, as well as utilizing WOO as a collateral asset to gain exposure to the market without selling their WOO via the AAVE application. Together, these factors represent potential TVL growth for AAVE.

The WOO Networks team and the WOO DAO have ambitious goals to become one of the leading liquidity providers across all chains and a central hub for collaboration and growth of projects. Having WOO listed on AAVE would increase the token's functionality, grow the network effect of both AAVE and the WOO ecosystems, and encourage closer collaboration between the WOO and AAVE communities.

Useful Links

- WOO Network website: <https://woo.org/>
- Documentation: <https://learn.woo.org/>
- WOO Network Github: [WOO Network · GitHub](#)
- [WOO Discord](#)

Specifications

1. What is the link between the author of the AIP and the Asset?

Woo Connected is a member of the core contributor team within the WOO DAO, focused on strategic business development and treasury management for the WOO DAO.

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Telegram: woo_connected

Twitter: <https://twitter.com/WooConnected>

2. Provide a brief high-level overview of the project and the token

The WOO Network (woo.org) is a deep liquidity network that provides the deepest liquidity trading with zero fees. It aims to connect all liquidity sources across all chains to provide a seamless trading experience for both retail and institutional traders.

The complete suite of products are the following:

- [WOO X](#) is a zero-fee trading platform providing professional and institutional traders with the best-in-class liquidity and execution. It features fully customizable modules for workspace customization and allows traders to perform spot and futures trading, perpetual swaps, social trading and institutional yield opportunities.

Figure 1: Reduced slippage and fees saved when using WOO X compared to other top exchanges.

- Wootrade is a gateway for institutional clients such as exchanges to access WOO Network's liquidity to upgrade their order books to a depth deeper than top exchanges and tighten their bid/ask spread. Through ease of API integration, once the client stakes the required WOO, their order books are instantly plugged into the WOO Network.
- [WOOFi](#) is a suite of DeFi products that aim to expand WOO Network's liquidity network to DeFi and helps DeFi users get the best pricing, tightest bid-ask spreads, rebates on order-flow and yielding opportunities when trading on-chain. On WOOFi, users can execute swaps between BSC, Fantom, Avalanche and Polygon with one click, circumventing the need to bridge assets. They can stake their WOO tokens for yield on-chain, and earn passive income by staking other assets within the Earn vaults.

Figure 2: Current WOOFi usage statistics. WOO bought back is awarded to WOO stakers on the platform.

- [WOO DEX](#) is a DEX built on NEAR that looks and feels like a centralized exchange but operates on-chain and will provide spot and margin trading, perpetual swaps and lending and borrowing. WOO DEX is powered by the Orderly Protocol, which WOO Network and the NEAR Foundation incubated.

The WOO token: The WOO token is the key that unlocks access to the WOO Network and governance within the WOO DAO. Staking unlocks fee-free trading and rebates on WOO X, free daily withdrawals, and yield on and off-chain. WOO holders can stake WOO, allowing them to participate in the governance process within the WOO DAO.

Revenue from the network is used to purchase WOO on the open market. This WOO is then [burnt on the 10th of each month](#).

3. Explain the positioning of the token in the AAVE ecosystem. Why would it be a good borrow or collateral asset?

- Over 50% of all circulating WOO is currently being staked across WOO X and WOOFi (this value includes WOO DAO funds). This indicates that holders are less likely to trade and more likely to participate in seeking yield opportunities such as lending on AAVE.
- WOO X, WOO DEX and WOOFi span many chains, allowing AAVE to gain access to the vast network effects of the WOO ecosystem.
- The WOO token utilizes Chainlink price-feed.
- WOO token holders exceed 11,000 on-chain wallets, many of which participate in staking WOO, potentially indicating the willingness to interact with the AAVE protocol.
- WOO DAO will be an active user on AAVE. In addition to depositing WOO, they will deposit other assets to generate yield.
- WOO X has listed spot and perpetual swap markets for AAVE. The WOO Network wants to continue to foster the relationship with the AAVE community.
- The WOO token is highly liquid as it is listed on many of the top and largest exchanges, with hedging available through perpetual swaps on several leading exchanges, including WOO X and Binance.

Benefits to the Aave Community

:

- WOO is not on any major lending platform. AAVE would be a first mover.
- WOO has an extensive social network and community. This would be a strong tie between the two DAOs. We aim to hold many events and promotions to bring the two communities closer together.
- The WOO Network collaborates with exchanges, VCs, and trading firms. Listing WOO on AAVE would be a strong signal to our partners, opening avenues for further collaboration and networking.

4. Provide a brief history of the project and the different components: DAO (is it live?), products (are they live?). How did it overcome some of the challenges it faced?

Mark Pimentel (previously from Knight Capital Group and Citadel) and Jack Tan (previously from Deutsche Bank, Citigroup, and BNP Paribas) founded the WOO Network in 2019. Both lead their quant trading firm [Kronos Research](#), which averages roughly \$10B trading volume across the top centralized cryptocurrency exchanges. From this experience, they observed fragmented liquidity throughout the blockchain space; to solve this issue, they incubated the WOO Network to connect and provide all liquidity sources in a chain-agnostic approach for institutional traders and retail investors.

The WOO Network comprises four main arms: WOOTrade, WOO X, WOOFi and WOO DEX with strong community backing from the WOO DAO.

WOOTrade

: Launched in 2019 using API access, it provides zero-fee trading and access to the deepest liquidity in the market to professional traders and platforms such as exchanges. WOOTrade was launched in a bear market, so building the network was challenging. This was overcome by attracting large series A and A+ funding from many network partners, including Binance, AscendEX and [Crypto.com](https://crypto.com).

WOO X

: Launched in August 2021, a front-end CeFi exchange platform that provides a highly customizable interface and zero-fee trading for retail and institutional WOO stakers. The most significant challenge among all exchanges is how to increase the user base. WOO X leverages the WOO Network to promote usage. This includes a special team within the WOO DAO called WOO Force, equipped with a large budget to hold digital and in-person promotional events. The zero-fee model, which is unparalleled within the market, is a strong incentive for people to use the platform.

WOOFi

: Launched in November 2021, an open-source multichain DeFi platform providing a cross-chain-swap function with the highest capital efficiency in DeFi (lowest swap fees). Similar to WOO X, the most considerable challenge is promoting the platform's usage. The one-click cross-chain-swap function increases user interaction and an industry-leading rebate-program whereby order-flow from other DeFi applications is rewarded with rebates in USDC.

WOO DAO

: Launched in December 2021 and was provided with [300M WOO tokens](#) in its treasury. The DAO aspires to become an action-oriented community-led organization with the dual objectives of supporting ecosystem growth, managing the treasury, and maximizing long-term WOO token value. It is progressively decentralizing with increased community integration in the operations of the DAO and treasury management. The WOO DAO is expanding to include a venture arm where DAO contributors benefit from successful ventures supporting healthy development within the crypto space.

WOO DEX

: Launched in June 2022, this is an on-chain DEX built on NEAR that looks and feels like a centralized exchange. It is currently in testnet, expecting to launch within a couple of months. The platform has already seen > 50,000 users and 500,000 on-chain transactions. The WOO DEX shares similar challenges to WOO X and WOOFi and will overcome these challenges by utilizing the strong network effect of the WOO ecosystem.

5. How is the asset currently used?

- Both on-chain and off-chain yield (APY ranging from 4% – 10%)
- Unlocks fee-free spot and futures trading, free withdrawals, taker rebates (the more you trade, the more trade rebates you acquire) and airdrops on WOO X
- Yield generation on [Thetanuts](#) through physical covered calls (yield 19.75% APY)
- Access to the WOO DAO

6. Emission schedule

- The maximum supply cap of WOO is 3,000,000,000 (3B)
- 10% of the tokens were sold in private and public sales. As of June 2022, these tokens have been fully vested and distributed. Another 10% were sold to seed and equity round investors. These tokens vest linearly over 1.5 years between April 2021 and October 2022.
- 20% are allocated to the WOO Network team, and 5% are for advisors, both of which are vesting linearly for 3.5 years, with a portion already allocated for vesting and a large share held in reserve for future hires.
- 50% of tokens are earmarked to support the WOO ecosystem, including the WOO DAO, with the following purposes:
 - 25% WOO ecosystem rewards, allocated to incentivize network usage
 - 10% Insurance fund to back user assets on the network
 - 10% Ecosystem partners to reward partners for supporting activities
 - 5% WOO Ventures, to [invest in early-stage projects with benefits going to token holders](#)
- The remaining 5% is for liquidity management. These tokens are used on CeFi and DeFi to improve the WOO token's liquidity, and the majority remains locked.

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Linear vesting is done on a block-by-block basis on the Ethereum mainnet. For more details, check out the [latest quarterly report \(Q4, 2021\)](#).

Each month, there is a burn of the Ecosystem Reward pool. The quantity of this burn is determined by a match-and-burn mechanism from the monthly buy-back and burn of 50% of WOO Network's revenue and rebates on taker orders for WOO X stakers (Trade-to-Earn program).

7. Token & protocol permissions and upgradability

The WOO token contract is not upgradeable.

8. Market data (Market Cap, 24h Volume, Volatility, Exchanges, Maturity)

- Circulating market cap (12th July 2022): [\\$1775,407,228](#)
- Circulating supply (12th July 2022): [1,069,234,263 WOO](#)
- Daily trading volume (12th July 2022): [\\$27,703,727](#)
- WOO DAO Treasury: Owns over 270M WOO locked in a 4 of 7 Gnosis Safe multi-sig [treasury wallet \(woostats.io\)](#)
- Etherscan: [WOO](#)
- Markets: [List of markets trading WOO](#)
- Top centralized exchanges trading WOO: WOO X, Binance, [Crypto.com](#), Bittrue, Hotbit, AscendEX, BitMart, KuCoin, Huobi Global, Bithumb, Kraken, CoinEx
- Top decentralized exchanges trading WOO: Uniswap, Bancor, PancakeSwap, SpookySwap, Trader Joe, WOOFi
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9. Social channels data (size of communities, activity on Github)

Discord: [WOO Network](#) (10.7k members, 394 voting DAO members)

Twitter: <https://twitter.com/WOOnetwork> (83.5k followers)

Telegram: [Telegram: Contact @woo_english](#) (10.6k members)

CoinMarketCap: [Join The Crypto Message Board At Community Today](#)

10. Contracts date of deployments, number of transactions, number of holders for tokens

- Token deployment date: Oct-16-2020 01:32:31 PM +UTC [Ethereum Transaction Hash \(Txhash\) Details | Etherscan](#)
- Number of transfers: 330,783 ([12 July 2022](#))
- Number of WOO Holders: 11,573 ([12 July 2022](#))

Risk Factors

The overall asset risk rating is C+ according to the [AAVE Rick Quantification Criterion 1](#) and using data from Coingecko's API and data from block explorers for Fantom, BSC, Avalanche and Polygon. Here is the breakdown of each category:

Smart-Contract Risk

Metric

Maturity (days)

Transactions

Diversified Avg.

Value

623

1,085,190

—

Risk Rating

B+

B+

B+

Counterparty Risk

Metric

Holders

Permission

Diversified Avg.

Value

26344

Permissionless

—

Risk Rating

B

B+

B

Market Risk

Metric

Market Cap

Avg.Vol.1M

Avg.Vol.3M

σ 1M

σ 3M

σ 6M

Diversified Avg.

Value

\$208,489,664

\$40,671,430

\$34,996,950

0.0869

0.0929

0.076839

0.08554633

Risk Rating

B

C+

C+

C+

C

B-

C

WOO smart contract risk

The WOO token TGE was on 30th October 2020. The token is an ERC-20 token deployed on Ethereum, and the token can be bridged to multiple blockchains. All WOO token bridges can be found [here](#).

On-chain staking of the WOO token on WOOFi mints xWOO for users. A user's xWOO represents their share of the staking pool, where WOOFi's swap fee is used to buy back WOO daily. When xWOO is unstaked, the xWOO is burned to redeem the initial WOO stake plus additional WOO rewards. This feature is live on BNB Chain, Polygon, Fantom, and Avalanche. Deployment on other EVM-compatible layer 1s and layer 2s is on the roadmap.

WOO DAO treasury holds 270M WOO in a 4 of 7 Gnosis Safe multi-sig.

The smart contract audits for WOOFi Swap, WOOFi Stake, and WOOFi Earn by Certik and Verilog can be found [here](#). WOOFi also has a bug bounty program with Immunify available [here](#).

WOO Counterparty risk:

Currently, holders of the WOO token have no direct influence over how the protocol (WOO X, WOOFi, WOOftrade, WOO DEX) is governed.

Users who stake 1800 (on the centralized exchange WOO X or on the DEX called WOOFi) are eligible to vote in WOO DAO. WOO DAO aspires to become the most forward-thinking and action-oriented community-led organization with the dual objectives of supporting ecosystem growth and sustainably managing the treasury, and in doing so, maximizing long-term WOO token value.

Members of the DAO community generate ideas and proposals for the DAO and participate in voting where proposals need a majority vote (with quorum criteria) to pass successfully. To prevent nefarious actors from Sybil attacks or malicious governance, some steps of the DAO governance process are controlled by WOO Network. Going forward, WOO DAO is exploring progressive decentralization through balancing plutocratic token-based voting with merit-based governance aligned with democratic principles.