

title: [ARFC] KNC onboarding on AaveV3 Ethereum market

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## Summary:

This ARFC is proposing to add the KNC token from Kyberswap to the AaveV3 Ethereum market in isolation mode.

## Motivation:

KyberSwap is a multi-chain DEX aggregator + concentrated liquidity platform, that aims to offer superior rates for traders and capital-efficient returns for liquidity providers.

As one of the oldest and most popular DEX aggregators with an average of 500K web visitors per month. KyberSwap has already been deployed on 14 chains, including Ethereum, Polygon, Arbitrum, Optimism, Avalanche, and Base. Total trading volume has crossed \$21B+ and the current total value locked (TVL) on all chains is \$60M+.

KNC is Kyber's utility and governance token and an important part of KyberSwap operations. KNC holders can stake KNC to vote on proposals to improve KyberSwap. In return, KNC voters receive rewards from fees collected through trading on KyberSwap and other ecosystem collaborations. As more trades are executed and new protocols are added, more rewards are generated.

Adding support for KNC on Ethereum V3 in isolated mode would allow KNC holders to borrow stablecoins by leveraging their KNC position, attracting new KNC deposits, which would add a new revenue stream for Aave while limiting the exposure.

## Specification:

We propose the following parameters according to [Gauntlet](#) and [ChaosLabs's recommendations](#):

Parameter

Value

Isolation Mode

Yes

Borrowable

Yes

Collateral Enabled

Yes

Supply Cap (KNC)

1.200.000

Borrow Cap (KNC)

650,000

Debt Ceiling

1M\$

LTV

35.00%

LT

40.00%

Liquidation Bonus

10.00%

Liquidation protocol Fee

10.00%

Variable Base

0.00%

Variable Slope1

9.00%

Variable Slope2

300.00%

Uoptimal

45.00%

Reserve Factor

20.00%

Stable Borrowing

Disabled

Stable Slope1

13.00%

Stable Slope2

300.00%

Base Stable Rate Offset

3.00%

Stable Rate Excess Offset

5.00%

Optimal Stable To Total Debt Ratio

20.00%

Flahloanable

Yes

Siloed Borrowing

No

Borrowed in Isolation

No

- Ticker:

KNC

- Contract Address:

[0xdeFA4e8a7bcBA345F687a2f1456F5Edd9CE97202](https://etherscan.io/address/0xdeFA4e8a7bcBA345F687a2f1456F5Edd9CE97202)

- Chainlink Oracle:

[0xf8ff43e991a81e6ec886a3d281a2c6cc19ae70fc](https://etherscan.io/address/0xf8ff43e991a81e6ec886a3d281a2c6cc19ae70fc)

## Disclaimer:

This proposal is powered by Skyward.

The author isn't compensated by KyberSwap for this ARFC.

## Next step:

The following steps are as follow:

- gather community feedback and [@Gauntlet](#) recommendations on this ARFC.
- Publish a snapshot of the risk providers recommendations.
- If said snapshot is successful, escalate to an AIP.

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