

This post provides an update on the dYdX Treasury subDAO and calls for 3 Community Signers to join the Treasury subDAO Multi-sig.

Update on the dYdX Treasury subDAO

With the approval of [proposal #157](#), karpatkey has been tasked with setting up a Cayman Foundation to receive ~40M DYDX tokens from the Community Treasury. The dYdX Treasury subDAO's treasury will gradually diversify assets by accumulating stablecoins through validator staking, helping to further secure the dYdX Chain.

The staking program is being designed to drive both treasury sustainability and ecosystem security and growth. dYdX Chain validators will be delegated DYDX tokens from the dYdX Treasury subDAO's holdings following the selection criteria set out below and will be able to benefit from their respective validator commission.

Selection criteria for the Treasury subDAO's DYDX delegations will be shared at least one week before the staking program goes live. Familiarizing yourself with the dYdX Foundation's [Good Practices for dYdX Chain Validators and Stakers](#) is a good starting point to increase your chances of being selected as a validator within the Treasury subDAO's staking program.

We have started the process of setting up the legal and on-chain infrastructure for the subDAO. An approximate timeline for the next steps is as follows:

- we plan to have the legal entity and on-chain infrastructure ready by the end of October 2024;
- consequently, we expect the community spend governance proposal to go live in November;
- once the funds are transferred to the Treasury subDAO, we will proceed with implementing the staking program and delegate the DYDX tokens;
- potential delays may occur due to circumstances outside of karpatkey's control.

Call for Community Signers: Treasury subDAO Multi-Signature Wallet

Following best practices of on-chain treasury management, we will rely on an on-chain infrastructure that requires multiple signers to approve any action related to the assets held by the dYdX Treasury subDAO. This critical component requires the participation of community members, and we are reaching out to explain the structure and seek qualified individuals to serve as Multi-sig Signers.

The Treasury subDAO will utilize a 3-of-6 wallet signer configuration. This structure will consist of two groups: Group 1 will comprise three signers from karpatkey, while Group 2 will include three Community Signers. To execute a valid transaction, a total of 3 signatures are required, with at least 1 signature coming from each group. This design ensures that neither karpatkey nor the Community Signers can unilaterally transfer funds.

We are now actively seeking three qualified individuals within the dYdX community to serve as Community Signers for the Treasury subDAO multi-signature wallet.

This is a position of significant responsibility and trust within our ecosystem.

To get an indication of the associated frequency of signing transactions, we expect to review the delegations at least every 3 months and rebalance as needed, and claim staking rewards at least biweekly.

Who is a suitable multi-sig signer?

Suitable multi-sig signers should meet the following criteria:

- Demonstrated active engagement within the dYdX ecosystem;
- Verifiable experience in multi-signature wallet management and adherence to security best practices;
- Willingness and ability to complete the required internal Know Your Customer (KYC) process;
- Eligibility and willingness to serve as a director in the Cayman Foundation (there are no shareholders or members, so directors may be marked as UBOs and be required to go through KYC with service providers from time to time);
- If individuals are affiliated with an organisation, only one individual per organisation may apply, and applications must be submitted in a personal capacity rather than on behalf of the organisation;
- Preferred: Proficiency in navigating Apple iOS devices, as this may be necessary for certain operational tasks.

Is this role compensated?

Each of the selected Community Signers will be compensated \$500 per month, paid in DYDX tokens based on a 30 day

TWAP.

How does the selection process work?

If you wish to apply to be a Community Signer on the Treasury subDAO Multi-sig, please comment on this post by completing the application template below. Please keep answers short and straightforward.

Timeline:

- The application deadline is Friday, October 18th, 2024 at 12pm UTC
- The 3 selected Community Singers will be announced on Monday, October 21st, 2024
- The official onboarding will be coordinated with each Community Signer in the following days.

Selection criteria:

- The 3 Community Signers will be selected among the suitable applicants (see suitability criteria above) based on their experience in Web3, involvement with the dYdX ecosystem, and previous experience with multi-sigs.

Application Template

DAO-recognised name:

Country of residence & Timezone:

Affiliations:

Occupation:

Motivation for applying (max 3 sentences):

Contributions to Web3 (list, max 5 elements):

Contributions to the dYdX protocol or DAO (list, max 5 elements):

Previous experience with operating Multi-sigs (list and brief explanation of each):

Conflict of interest (if any):

Failure to follow the application template will result in disqualification from the selection process.